

# Weekend FINANCIAL TIMES

Weekend FT  
Sprawling madness of  
the modern Olympics

SECTION II

World Business Newspaper

## N Ireland peace moves 'in ruins' after marches

The president of Sinn Féin, Gerry Adams, said the peace process in Northern Ireland had been left in "absolute ruins" by the police decision allowing Protestants to march through Catholic areas. The statement by the Irish Republican Army's political wing raised the prospect of renewed bloodshed in the province. A senior member of US president Bill Clinton's National Security Council is understood to have criticised the decision in a message to British officials. Page 24: IRA puts block on ceasefire prospects. Page 4: Philip Stephens. Page 3

European Court rejects beef ban appeal: The European Court of Justice rejected the UK government's appeal for an immediate lifting of the European Union's worldwide ban on British beef exports, despite hardship to the beef industry caused by the consumer scare over BSE, or mad cow disease. Page 4

British Royal divorce terms agreed: Britain's Prince and Princess of Wales will start divorce proceedings on Monday, ending the heir to the throne's 15-year marriage on August 23. Under agreed terms the Princess, who is understood to have received a £16m-£17m (£28.4m-£26.6m) one-off cash settlement, will lose the title Her Royal Highness but will be addressed Diana, Princess of Wales.

Credit Lyonnais, the troubled French state-owned banking group, rejected suggestions that it had gone against normal practice in allocating only a small proportion of its FFr40bn (7.75bn) issue to other French banks. Page 5

Czech confidence vote postponed: Czech prime minister Václav Klaus attacked a decision by the opposition Social Democrats to postpone a parliamentary vote of confidence in his new cent-right coalition government. Page 2

Seoul to reform stock exchange: South Korea announced reforms to the Seoul stock market after the arrest of the nation's top securities regulator who was accused of accepting at least Won100m (£15,000) from companies seeking listings. Page 24

Hollywood boost for Scotland: Hollywood films about Scotland helped lift tourism spending by 7 per cent increase to £2.2bn (£3.4bn) there, after a fall of 8 per cent the previous year. Page 4

Fall in US sales: US retail sales fell last month after a big gain in May, providing the first hint that the pace of economic growth may slow after a strong second quarter. Page 2

London stocks weather Wall St storm: London stocks stabilised to end the day slightly down after an uneasy morning when dealers feared another sell-off in US shares after Thursday's 83-point decline. But with some reassuring US economic news checking the fall in the Dow Jones Industrial Average at the start of trading, the FT-SE 100 closed down just 20.7 points at 3,728.3. Over the week UK shares held up well in spite of Wall Street's turbulence, with the index falling 15.9 points. Page 21: World stocks, Page 19; Lex, Page 24; Markets, Weekend Page 24

Japan hangings prompt protest: Japanese human rights groups protested against the hanging of three convicted murderers the first executions under the seven-month-old administration of Prime Minister Ryutaro Hashimoto. Page 3

Approval for RSI probe: The US House of Representatives blocked a Republican attempt to stop the federal government investigating repetitive strain injuries. Page 2

China offers N Korea food aids: China has offered 100,000 tonnes of food to North Korea to prevent famine after floods destroyed crops last year, improving ties that had cooled in recent years.

Steffi Graf's father to face trial: Peter Graf, the father of tennis star Steffi Graf, will go on trial in September on charges of attempting to evade nearly \$14m in taxes.

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The farmer who left the herd



A full-time job being oh so naughty

WEEKEND JULY 13/JULY 14 1996

## Alleged payments to former Socialist party

# Former Italian PMs face trial on political funding

By Andrew Hill in Milan

Two former Italian prime ministers, Mr Silvio Berlusconi and Mr Bettino Craxi, have been ordered to stand trial for illegal funding of the former Socialist party.

A Milan judge yesterday also committed Mr Aldo Livioli, chief executive of Mediaset, a Berlusconi media company, for trial, a move which could overshadow Mediaset's long-planned listing on the Milan stock exchange on Monday.

Mr Craxi, Mr Berlusconi, Mr Livioli and nine others, including Mr Craxi's brother and two of his aides, are accused of involvement in the payment of some L10bn (£6.5m) to Mr Craxi's now defunct Socialist party in 1991.

Mr Berlusconi, Mr Livioli and two other top managers of Fininvest, the Berlusconi holding

company, will also have to answer charges of false accounting when the trial opens on November 21.

The charges relate to Mr Livioli's role at Fininvest, where he was finance director and is still chief executive. Mr Livioli said he was "astonished" by the decision, and could not understand how investigators had "involved me in a case which I have absolutely nothing to do with".

Investigating magistrates claim that Fininvest used All Iberian, a company registered in the UK's Channel Islands, to transfer money to Luxembourg accounts controlled by nominees of Mr Craxi.

Mediaset has already alerted investors to a series of legal cases and investigations involving directors, as part of an effort to ring-fence the company from the impact of investigations. Fin-

invest has pledged to maintain cash and liquid assets of at least L3,000m to cover any liabilities.

Mr Federico Confalonieri, Mediaset's managing director and Fininvest chairman, has said that directors would resign if they were found guilty of wrongdoing.

Over the last month, some 245,000 shareholders, from small Italian investors to large international institutions, have invested in Mediaset through a public offer and placing of shares aimed at reducing Fininvest's stake in the company to just under 50 per cent. Mediaset shares slipped slightly in unofficial advance trading yesterday, but analysts said they would probably open on Monday above the offer price of L7,000, which valued the whole company at L8,250m.

Prof Ennio Amadio, one of Mr Livioli's lawyers, said: "The trial will be a major test of the strength of the Fininvest group." Mr Livioli's lawyer, Mr Giacomo Sartori, said: "The trial will be a major test of the strength of the Fininvest group."

Continued on Page 24



South Africa's president Nelson Mandela came to Trafalgar Square yesterday on the final day of his visit to England. He gave a farewell address from South Africa House, long the scene of anti-apartheid demonstrations. Report, Page 4; Interview, Page 8

By Haig Simonian in London

**Chrysler quarterly profits surge to \$1.72bn**

Chrysler - the smallest but most profitable of the US "Big Three" carmakers - saw its pretax profits surge from \$238m in the second quarter of last year to \$1.72bn this year.

The results, taking the company's first half net profits to \$2.64bn, suggest earnings this year could match the record of 1994, when net profits reached \$3.7bn.

Demand for Chrysler's products has continued to boom, as for its popular pick-up trucks, off-road vehicles and people carriers.

Mr Bob Eaton, the chairman, said: "The balance, depth and attractiveness of our car and truck line-up is bringing a growing number of customers."

The boom in such recreational vehicles, compared with conventional family cars, helped to lift Chrysler's share of the combined US and Canadian car markets from 15.2 per cent in the second quarter of 1995 to 16.7 per cent.

That was "its highest level in recent history," according to Mr Eaton.

Mr David Bradley, motor industry analyst at J.P. Morgan, forecast that corporate earnings would come close to the previous record.

However, he warned that Chrysler could become a victim of its own success, as output was reaching capacity at its plants.

"Earnings growth from here on will be more difficult," he said.

Company officials would not predict full-year profits, but they warned earnings could be affected by rising US interest rates or a downturn in the economy.

Years of a rate rise have overshadowed the stock market this month. In spite of its results, Chrysler's shares fell 1% yesterday, down 5% for the year.

Like General Motors and Ford, its bigger rivals, Chrysler has

US asbestos and pollution claims, losses in the previous five years totalled more than \$2bn.

Another \$859m reserve strengthening was needed in 1993 to help set up Equitas, a giant reinsurer which Lloyd's hopes will take over liabilities on policies sold before 1993.

The 1993 results were helped by strong rises in premium rates and a lack of big natural catastrophes. Lloyd's played down the impact of more recent rate reductions, saying the downswing did not match that of the 1980s.

Names bid high, Page 4  
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## Lloyd's confirms recovery with £1bn profit

Rebel Names set to lose battle as insurance market anticipates backing for rescue plan

By Ralph Atkins in London

Lloyd's of London yesterday confirmed its turnaround in some style, reporting a record £1.08bn (£1.88bn) profit for 1993 under its three year accounting system.

The news is a positive backdrop to Monday's annual meeting which is expected to back decisively the rescue plan for the long-troubled insurance market.

Lloyd's expects endorsement at the meeting for a special £440m levy on Names underwriting between 1993 and 1995 to finance its recovery. The plan's success is essential for the market's survival after heavy losses in recent

years. Individual Names, whose assets have traditionally supported Lloyd's, have until August 28 to accept.

Lloyd's is also expected to see off convincingly a challenge by rebel Names seeking substantial improvements to the package, which includes a £3.1bn out-of-court settlement.

Meanwhile, results of the first auctions this year for Lloyd's syndicate places indicate a high level of demand by Names to continue underwriting into 1994, a reflection of confidence in a role of traditional Names.

Lloyd's is braced, however, for protests over an unresolved ele-

ment in the plan's financing. Mr David Rowland, chairman, is expected to say on Monday that only £25m-£30m has been raised from syndicate agents on top of the £250m committed so far.

Lossmaking Names pressed for a much larger increase and last night Mr Michael Deeney, an influential lossmaking Names' leader, described the rise as "deplorable".

Lloyd's is also expecting last minute legal challenges by hardline Names to obstruct or derail the plan, notably over allegations that the scale of asbestos losses was concealed by senior market figures in the 1980s. However the

plan has won the backing of most large Names' action groups.

Mr Rowland, who said he would resign if the recovery plan failed, hailed 1993's figures as one of the best results in Lloyd's history. Lloyd's projects profits of £1.08bn in 1994 and £1.88bn in 1995. Mr Rowland said it had been "an impressive feature of the recent tumultuous period that the great majority of our clients have maintained their relationship with the market".

The 1993 result followed a £388m loss in 1992. After including extra reserves needed to cover outstanding liabilities on old insurance policies, such as

US asbestos and pollution claims, losses in the previous five years totalled more than \$2bn.

Another \$859m reserve strengthening was needed in 1993 to help set up Equitas, a giant reinsurer which Lloyd's hopes will take over liabilities on policies sold before 1993.

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Names bid high, Page 4  
Lex, Page 24

Continued on Page 24

## Yeltsin orders more troops after second Moscow bomb

By John Thornhill in Moscow

Russian president Boris Yeltsin yesterday pledged tough action against terrorism and his government ordered 1,000 extra troops into Moscow yesterday after a bomb exploded on a trolleybus, injuring 28 passengers.

The second blast in two days, it stirred fears about security in the Russian capital, but also prompted concerns that the government could launch a campaign that would infringe civil liberties.

Mr Victor Chernomyrdin, the prime minister, promised a tough response to terrorism as his government ordered the extra interior ministry troops to patrol the streets of Moscow.

After visiting the site of the explosion on one of Moscow's main avenues, Mr Yul Likhov, the city's mayor, suggested there were two suspect groups for the blast. Nobody has yet admitted planting the bomb.

Mr Likhov said the incident could be the work of Chechen terrorists protesting at the latest surge of fighting in the breakaway region in southern Russia, or organised criminal elements trying to deter the security services from moving against them.

The mayor hinted that he would expel people from the north Caucasus, whom many Russians instinctively associate with crime. "We intend to cleanse Moscow not only of homeless down-and-outs but also the elements that we consider dangerous," he said.

However, officials stressed yesterday that there was no evidence to tie the blasts to Chechen

casualties rise, Page 2

Continued on Page 24

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## NEWS: INTERNATIONAL

# US sales fall may presage growth dip

By Michael Prowse  
in Washington

US retail sales fell modestly last month after a big gain in May, providing the first hint that the pace of economic growth may slow in coming months after an uncomfortable strong second quarter.

Separate data on wholesale prices, however, were less encouraging for investors showing an unexpected large increase in producer prices, reflecting a surge in food prices.

The figures came at the end of a nervous week in US financial markets. Share and bond prices have weakened on fears that Mr Alan Greenspan, Federal Reserve chairman, will be forced to raise short-term interest rates shortly in order to curb upward pressure on inflation.

Economists are keenly awaiting Mr Greenspan's half-yearly monetary testimony to Congress next week for signals on interest rate prospects. Mr Greenspan will assess the monetary outlook and unveil the Fed's latest economic projections.

The Commerce Department said retail sales fell 0.2 per cent last month, after a strong 0.8 per cent gain in May. The sharpest setback was in the car industry, where sales fell 1.4 per cent, after a 1.8 per cent gain in May. Department store and clothing sales were also weak.

However, the underlying

trend remained quite strong. Sales rose at an annualised rate of 5.5 per cent in cash terms in the second quarter, as a whole. Excluding cars, a volatile sector, the annualised increase was 9.3 per cent.

Economists at J.P. Morgan, the New York bank, said this implied growth of real consumption spending at an annualised rate of 3.5 per cent in the second quarter.

The producer price index for

finished goods rose by 0.7 per cent last month and by 2.7 per cent in the year to June.

However, the modest overall increase masked sharp variations in individual prices. Energy costs dropped 2.1 per cent, the biggest monthly decline since December 1993.

But this decline was more than offset by a surge in food prices which jumped 1.6 per cent in June - the largest monthly gain in six years. Excluding food and energy, the "core" producer price index rose 0.2 per cent after a zero increase in May.

Economists said prospects for interest rates depended mainly on the economy's strength in the second half of the year.

Some economists believe high levels of consumer debt will cause slower growth of spending and reduce upward pressure on rates. But the majority view is that the Fed will have to raise rates at least once, probably in August.

# Chechen casualties rise as Russians continue offensive

Dozens of Chechen civilians were reported to have been killed or wounded yesterday as heavy fighting continued across the rebel region for a fourth day and Russian aircraft dropped bombs on a village on Tuesday, saying a big group of rebels was situated there. Residents of the village say dozens of civilians have been killed in the past few days and insist that the last fighters left Gekhi on Thursday.

The Russian bombardment targeted the villages of Gekhi in the south-western lowlands and Makhkheti in the south-east. Precise figures of civilian casualties were impossible to obtain because the villages were sealed off by troops, Russian news agencies said.

The Russian military offensive has contrasted sharply with President Boris Yeltsin's election campaign promise to end the unpopular war. A ceasefire negotiated with separatist leaders in May largely held until this week. Chechen rebels have come under suspicion in two trolleybus bombings in Moscow, with the mayor, Mr Yuri Luzhkov, among those speculating they could be behind the attacks.

The Russian military com-

mand in Chechnya said a unit near Shatoy, a town 44km south of the Chechen capital, Grozny, located a rebel base yesterday and shelled it. The attack killed 60 rebels and destroyed a radio transmission centre, a statement said.

Reports were sketchy yester-

day of fighting around Gekhi and Makhkheti, the village which Russian commanders claim is the headquarters of Chechen rebel leader Zelimkhan Yandarbiyev.

However, western reporters outside Gekhi saw three

bombs hitting the village and sending up clouds of smoke and dust. Russian troops launched an attack against the village on Tuesday, saying a big group of rebels was situated there. Residents of the village say dozens of civilians have been killed in the past few days and insist that the last fighters left Gekhi on Thursday.

In Washington, the adminis-

tration used unusually sharp

language to criticise what it

called the decision to "escalate" the conflict and "go after civilians" now that the elec-

tion was over.

Mr Strobe Talbott, deputy US secretary of state, said the message would be delivered personally to the Russian leadership by Vice-President Al Gore, who arrives in Moscow this weekend.

Mr Yeltsin's new national security chief, Mr Alexander Lebed, a retired general, has endorsed the offensive and defended the actions of the Russian troop commander in Chechnya, Lieutenant-General Vyacheslav Tikhomirov. Gen Tikhomirov was previously Mr Lebed's chief-of-staff.

Mr Lebed, once an advocate

of self-determination for Che-

chnya, now insists the repub-

lic remain within Russia.

More than 30,000 people

have been killed in Chechnya

since Moscow sent in troops in

December 1994. While thou-

sands of people remained

trapped in their villages yester-

day, thousands more were

reportedly fleeing this week's

attacks. About 850 of them

have arrived in the neighbour-

ing region of Dagestan, the UN

High Commissioner for Refu-

gees said in Geneva.

A Chechen fighter holding a wound on his head near the village of Gekhi, which was bombed yesterday by Russian aircraft. *Reuters*



## INTERNATIONAL NEWS DIGEST

## Arms export curbs agreed

Negotiators from 31 countries agreed yesterday to curb global arms exports, after two days of closed-door talks. The US and Russia managed to end a disagreement over the disclosure of sensitive information that had threatened to block the first post-cold war export control regime for weapons and military technology.

A US official said Washington and Moscow had overcome obstacles to the implementation of the so-called Wassenaar arrangement on arms exports, agreed in principle after about 28 western and eastern states sketched the outlines of a new arms control forum in December in the Dutch town of Wassenaar. But implementation of the pact stalled in April over Russian opposition to a provision requiring each nation to notify other members whenever it granted or denied a licence to export dual-use technology, such as night-vision devices.

### Indonesia offers tax lure

The Indonesian government has announced a 10-year tax holiday for companies making new investments in certain sectors, but the ministry of finance has yet to make clear whether the concession applies to foreign as well as local companies. Foreign investors in Indonesia had been pressing for better terms in line with neighbouring countries such as Malaysia, which offers 10-year tax holidays depending on the location of an investment.

The Indonesian finance ministry said the tax holidays would only be valid in certain sectors, to be determined by President Suharto. In an additional move aimed at encouraging investment in the outer islands, companies investing outside the more industrialised islands of Java and Bali can apply for a two-year extension to the tax holiday.

The tax holiday will only apply to companies which set up operations in Indonesia within five years of obtaining an investment licence. Until now only about half of approved investments in Indonesia are realised. The tax holiday will include an exemption not only of corporate income tax but also of income tax on dividends paid to shareholders based offshore.

Separately, the ministry of finance said it was reviving a privatisation team disbanded after the failure of the initial public offering of Telkom, the domestic telecoms company. The new team will be headed by Mr Saleh Arief, co-ordinating minister for economy and finance. *Manuela Saragosa, Jakarta*

### Cambodia wins \$500m in aid

The Cambodian government yesterday received pledges of \$500m in economic aid from international donors to help fund reconstruction projects. Cambodia relies on foreign aid for almost half its annual expenditure. The amount pledged at the end of a two-day meeting of donors in Tokyo will be allocated this year and is in line with the Cambodian government's three-year investment programme totalling \$1.7bn.

Criticism by international donors had been heightened by the country's haphazard and secret awarding of logging concessions. Last month the IMF placed a temporary freeze on a scheduled loan disbursement of \$20m. However, Finom Peuk has given assurances it is making logging activities more transparent by implementing a forestry policy and appointing an independent inspection unit.

Representatives from 16 countries and five international organisations agreed to offer the aid at the meeting co-chaired by the World Bank and the Japanese government. "We had an opportunity to take stock of what progress has been made, including stabilisation of the economy and fairly good growth performance," said Mr Javad Shirazi of the World Bank. Japan, which pledged up to \$90.9m in economic aid, was the biggest donor.

*Emilio Terazona, Tokyo*

### Rome delays draft media bill

The Italian government yesterday postponed until Wednesday approval of draft legislation which could have a far-reaching effect on the regulation of the telecommunications and media industries.

The draft legislation would establish a telecoms and media authority, one prerequisite for the sale of the Italian state's stake in Stet, the telecoms holding company. The government still hopes to establish the authority by early autumn, to keep open the hope of privatisation during 1996.

According to leaked drafts of the bill, the new law also intends to lay down limits on the share of the audience and overall revenues from television which a single operator is allowed to have. That could affect the future of both Mediaset, the media company controlled by Fininvest, Mr Silvio Berlusconi's family holding company, and the state-owned Rai, which have a near-monopoly on Italian television.

One industry executive said he believed approval of the bill had been postponed because of differences within the centre-left government over the regulation of the television sector. Mr Berlusconi, who is selling off a majority stake in Mediaset, is the leader of the opposition. Mr Antonio Maccanico, the post and telecommunications minister, said, however, that the bill would be approved at Wednesday's cabinet meeting.

*Andrew Hill, Milan*

### Steffi Graf's father nearer trial

One of Germany's most prominent cases of alleged tax evasion moved nearer to the courtroom yesterday when a district court in Mainz gave the go-ahead for the prosecution of Mr Peter Graf, father of tennis star and Wimbledon ladies' champion Steffi Graf, and his tax adviser.

Mr Graf and Mr Joachim Eckardt stand accused of tax evasion. The state prosecutor's office has alleged that they failed to report DM42m (\$37.6m) of Ms Graf's earnings between 1988 and 1993 and thereby evaded tax payments of DM19.6m.

The court has yet to fix a date for the hearing but it is expected to start in September. Mr Graf has been in jail pending investigations since August 2 last year while Mr Eckardt has been in jail since September. *Peter Norman, Bonn*

### Spain beats inflation forecast

A sharp fall in fresh food prices reduced Spain's headline inflation rate for June by 0.1 percentage point and slowed the year-on-year rate to 3.6 per cent, from 3.8 per cent in May. Underlying inflation, which excludes energy and non-processed food prices, increased by 0.2 points in June and the 12-month rate for core inflation fell to 3.2 per cent, from 3.7 per cent a month earlier.

The figures were a sharp improvement on forecasts of a 0.1 point rise in the headline figure and reversed a two-month trend that had pushed the consumer price index up from a 25-year low of 3.4 per cent in March.

June's price falls could give the Bank of Spain room to trim its benchmark interest rate, which has remained at 7.25 per cent since June 4.

French inflation slipped in June for the first time in 11 months, reflecting weak consumer demand and the waning impact of a rise last year in the country's value added tax, official figures published yesterday showed. The national statistics institute said June consumer prices fell 0.12 per cent month-on-month compared with a 0.2 per cent rise in May, surprising many economists who had expected inflation to be flat.

Economists said that the decline reflected weak demand in a sluggish economy but that it should allow the central bank to continue cutting interest rates.

*Tom Burns, Madrid*

# Congress votes to prolong a study of RSI

By Jurek Martin in Washington

The US House of Representatives has voted down a Republican attempt to prevent the federal government from investigating repetitive strain injuries, one of the most frequent contemporary workplace afflictions.

The defeat of 35 Republicans, mostly north-eastern moderates, to support a Democratic amendment removing the RSI provision from an appropriations bill, underlines the fissures now confronting the Republican party as the November elections draw nearer.

The bill would have barred the Occupational Safety and Health Administration (OSHA) - a favourite target of conservatives intent on deregulation - from developing rules or guidelines concerning RSI. It would also have prevented OSHA from spending any funds to gather information on

the problem, which has spread in the last decade to affect notably computer keyboard users.

The bill's sponsors immediately blamed their defeat on what Congressman Henry Bonilla, the Republican from Texas, described as "the strong arm of organised labour". The vote certainly constitutes the second big political victory this week for the trade unions, following the passage of an increase in the federal minimum wage by the Senate on Tuesday.

The \$65bn appropriations bill, covering the health, labour and education departments for the fiscal year beginning in October, won the approval of the House, though only after Democrats had won a number of other concessions.

But in its present form it is almost certain to be vetoed by President Bill Clinton because it would abolish his prized Goals 2000 education pro-

gramme to erase the *fasyl* (file) from the *kompiaster*. If these precautions fail, some Russian businessmen may resort to the services of a *killer*, or professional assassin.

This enthusiastic borrowing is one of the most striking signs of the social and cultural transformation Russia has undergone since 1991, when it ended 70 years of self-imposed Communist isolation and began the long struggle to build a western-style democracy and market economy. But not everyone thinks the Russian language's warm embrace of the west is good thing.

Nationalists see the current linguistic promiscuity as part of a broader corruption of the essential Russian spirit by malign western influences. The Communist party, which was defeated at the polls last week, has been the most strident advocate of linguistic purity, but Russia's victorious establishment politicians are also concerned.

The Russian Language Council, which many hope will become a Russian version of the Académie Française, was established late last year. This group of 87 academics, writers

and senior politicians reports directly to the president and is charged with drafting a series of laws to defend the Russian language, possibly including regulations on language use in the mass media and restrictions on non-Russian advertisements in public places.

The second proposal has already been enacted as a city bylaw by Mr Yuri Luzhkov, the popular mayor of Moscow. His ban on non-cyrillic billboards is part of a wider campaign for national authenticity which has also included periodic crusades to convince Russians to abandon colas and Big Macs for *koras*, a beverage made of fermented bread, and *bizzi*, the Slavic answer to pancakes, favoured by their ancestors.

The anti-English backlash is part of the ancient tug-of-war between slavophiles and westerners which has racked Russia since Peter the Great. In the 19th century, when much of the aristocracy spoke French more fluently than Russian, some of the country's most respected scholars made an unsuccessful bid to purge the language of imported

words like *rotzuer* (from the French *trotoir*, or pavement). The cudgels were taken up again after the second world war by Stalin. Part of a "battle against bowing low before the west", the dictator's war on borrowed words sought to replace terms such as *buldozer* and *eksavator* (excavator) with more long-winded Russian equivalents. After his death, engineers reverted to the old words.

As Mr Leonid Krysin, a professor at the Institute of the Russian language, explains, "In those times, using banned foreign words could bring political danger; many people were sent to jail". Today, the sanctions are less harsh, but Mr Krysin believes the Russian language faces a more serious threat, by being squeezed out of neighbouring countries where tsars and tsarist bosses had once imposed their own tongue on their subjects.

In the Baltic the situation is tragic. Even in Ukraine, a Slavic republic, Russian schools are being closed and Russian is being taught mostly as a foreign language, with the same status as English or German," said Mr Krysin.

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## NEWS: INTERNATIONAL

# Japan weighs plan to lift economic controls

By William Dawkins in Tokyo

The Japanese cabinet yesterday adopted an outline package of economic deregulation steps, including the full liberalisation of stockbrokers' commissions and the lifting of controls on rail freight charges, but then sent them to ministries for indefinite study.

The package of six proposals was prepared by Mr Shunsei Tanaka, the director general of the government's Economic Planning Agency, who has pledged to shift more power from the bureaucracy to politicians.

However, ministries are keen to protect their own power and are expected to delay their responses to the scheme at least until after the next general election, likely to be late this year or early next, political analysts said.

Mr Tanaka, a senior member of the New Harbinger party, the smallest member of the three-partner government coalition, argued for faster reductions in the number of government controls to increase Japan's long-term

economic growth capacity. Failure to trim regulations would leave the government no choice but to continue to pump fiscal spending into the economy, at a time when the budget deficit is threatening to swell out of control, he said.

"It would be just like postponing necessary surgery, which cannot be very good for your health."

His plan includes the abolition of restrictions on new telecommunications services; allowing services to supply telephone calls, television and radio on a single line; full liberalisation of stockbrokers' commissions on share sales; and the abolition of tax on securities transactions.

Also included are proposals to lift government controls on job placement agencies and rail freight charges. Mr Tanaka argued that these steps should be adopted together, as a package, so that the competitive shock would be evenly shared.

Political observers thought it unlikely that the ruling Liberal Democratic party, which retains intimate relations with the civil service, would embark

on any significant economic deregulation before the general election. "We should expect policy paralysis, beyond tackling immediate problems," said Mr Dan Harada, a political consultant.

He believed Mr Tanaka was seeking to broadcast his own commitment to deregulation to strengthen his credentials in the run-up to that election and possibly to prepare a bid to oust the present leader of the NPF, the unpopular Mr Massayoshi Takemoto.

Mr Tanaka is a prominent reformer, having been chief adviser to Mr Morihiro Hosokawa, the former prime minister who in 1993 headed the first non-LDP government in nearly four decades.

There was, however, a chance after the election that some of Mr Tanaka's proposals might be taken up, said political analysts. "Deregulation remains a popular and vote-winning catchword," said Mr Jesper Koll, head of market research at J.P. Morgan in Tokyo.

"How much will be delivered is another question."

# Triple hanging prompts human rights protest

By William Dawkins

Japanese human rights groups yesterday protested against the hanging of three convicted murderers, seen as the latest evidence of a tough Justice Ministry line on capital punishment.

These are the first executions under the seven-month administration of Prime Minister Ryutaro Hashimoto. They bring to 18 the number of hangings in just over three years, of which six took place last year. There were no executions in the previous three years and four months to March 1993, when the present run began with three executions.

The latest capital punishments have rekindled a peren-

nial debate over the death penalty at a sensitive time, during the trials of senior followers of Aum Shinrikyo, the religious cult, charged with masterminding last year's lethal nerve gas attack on the Tokyo subway.

A citizens' rights group in Fukuoka, where two of the hangings took place, yesterday filed a written protest at the prison where the two men were held. Mr Shintichi Ishizuka, a criminal law professor at Kyushu University, pointed out that these latest executions took place unusually soon after sentencing, at least by Japanese standards - 10 years, in the case of one man. Mr Ishizuka believed this was a deliberate demonstration of Justice Ministry toughness, to pave the way for Draconian treatment

of cult members convicted of capital crimes.

Japanese executions are carried out in great secrecy, for which the ministry has come under some criticism. Those sentenced to death are allowed no visitors and given no clue when the sentence will be carried out, so that they are allowed to fear that every day might be their last. The ministry makes no public announcement of executions, beyond informing relatives, after the event, by telephone.

After these latest hangings, 55 people remain on Japan's death row, according to Amnesty International's Tokyo office. Of those, 40 are awaiting the results of appeals, very rarely granted in Japan's judicial system.

By Laura Tyson in Taipei

Mr Difang and his wife Ingay, are elders of the Ami tribe, one of Taiwan's aboriginal minority groups that migrated from south-east Asia thousands of years ago. They spend their days relaxing and tending rice paddies on their modest farm in Taitung, on Taiwan's east coast.

The couple, aged 76 and 74, have lately become world-famous pop music singers, but say they have received neither credit nor compensation for their talents. In lieu of either, they are asking to be invited to perform a traditional Ami song at this year's summer Olympic Games, opening in Atlanta on July 19.

The couple have long been recognised among the Ami people for their powerful performances of tribal songs passed from generation to generation by oral tradition. Then, in 1993, the European pop group, Enigma, led by Mr Michael Cretu, released an album

whose second track sampled vocals from a 1988 academic recording made by the couple in France. The single, "Return to Innocence", became a hit, selling about 5m copies.

More recently the tune has resurfaced as the background music to a centenary promotion by the International Olympic Committee, broadcast repeatedly on CNN International to promote the Atlanta Olympics.

"We are not seeking money or revenge," said the sunbaked farmer, who with his wife shared tea and betel-nut with guests in the Taitung office of local assemblyman Mr Lin Cheng-er. "All we want is recognition and respect for our culture and for our people."

"For many years we have been performing traditional Ami songs in Taiwan and also overseas. We have never taken money; we only sing to give people pleasure," said Mr Difang, who is called Mr Kuo Ying-nan in Chinese. This song does not belong to us; it is

part of our culture and our heritage. We don't want our traditional song to be used as a commercial product."

The Ami song used in "Return to Innocence" is known as "Palafang", or "The Guest's Song" and is traditionally sung over dinner and rice wine with friends and neighbours after a hard day's work in the fields. Mid-meal, the guest of honour begins to sing. The host and other diners then join in the song of celebration, which like many other Ami songs is a melodic chant whose words have no meaning. It is often accompanied by dancing.

"This is not the first instance in which Enigma has been embroiled in an unauthorised usage case. In 1991 Enigma set

out of court a suit brought by Kapelle Antiqua, a Munich-based choir, which recognised recordings of its Gregorian choral works on the group's earlier best-selling album. The choir sued for damages, charging infringement upon "right of personality" for recordings made in the 1970s.

In this latest case, Virgin and Enigma have not been able to comment.

Mr Robert Sandall, a spokesman for Virgin Music UK, said that in general Virgin were extremely concerned that rights were established in such cases. "Virgin are scrupulous in clearing the use of samples. There's no intention on our part to deny any rightful credit that may be theirs," he said.

Mr Difang said he hoped he would have the opportunity to share the Ami song "Palafang" as a guest at the Olympics. "I want the world to learn about the Ami tribe of Taiwan, to enjoy our music and respect our culture," he said.

# Hong Kong gets ready to celebrate

By John Riddings in Hong Kong

After months of wrangling between its present and future rulers, Hong Kong may soon be able to prepare for the biggest event in its history.

Xinhua, the official Chinese news agency, yesterday released a list of proposed festivities to mark Hong Kong's return to China on July 1 next year. The list, which ranges from a cultural show to a car parade, raises the prospect of a celebration rather than a solemn ending to what China views as a period of colonial humiliation.

"Maybe we won't just be standing in the corner with a glass of wine before handing over a surrender notice," says one British official, referring to the stand-off with China over the form of handover.

Cautious optimism has been spurred by China's senior leaders. Mr Li Peng, the Chinese premier, recently signalled an end to bilateral bickering, proclaiming that Beijing had no objections to a "glorious or honourable" British withdrawal.

After these latest hangings, 55 people remain on Japan's death row, according to Amnesty International's Tokyo office. Of those, 40 are awaiting the results of appeals, very rarely granted in Japan's judicial system.

For its part, the Hong Kong

government has moved to ensure festivities by announcing that the Queen's birthday will be conveniently shifted to June 30 next year. China has already announced public holidays for the first two days of July.

Although there is still plenty of room for discord - from Chinese security concerns to the intricacies of protocol - the

retail price inflation.

The promising inflation figures increase the likelihood there will be a further interest rate cut later this year. Some economists predict the government's approach to loosening of credit - the other tool through which China controls inflation - will continue to be cautious and highly selective.

Most expect inflationary pressures to intensify later in the year as the 0.8 per cent interest rate cut in May, and an increase in government-set procurement prices for grains announced in March in a bid to boost rural incomes, work their way through the system.

However, a good harvest last year, the consequent easing of pressure on food prices also played a large part in bringing down

planners are edging towards a green light for what promises to be a tourism bonanza.

This would be a relief for Mr Peter Leung, head of the government's co-ordination office for the handover ceremony. Established in April with an initial budget of HK\$6m (US\$750,000), his team has been sitting at their desks waiting for something to co-ordinate. "People have years to arrange the Olympics or a royal wedding," says one public relations executive. "They must be getting a bit edgy."

Some events are already being prepared for. The Prince of Wales, Baroness Thatcher and the royal yacht Britannia are likely to be in part. Less likely is a proposal by one mainland company to fire flying dragons across the border.

Mr Raymond Wu, convenor of the celebrations subcommittee, the Beijing-backed body overseeing the handover, cites several possibilities, including Luciano Pavarotti, the opera singer. "We want to send a signal of Hong Kong as cosmopolitan city," he explains.

Not will it be over when the fat man sings. CSS promotions, an events sponsorship company, is arranging festivities for the months after the handover. One plan is a flotilla of giant barges cruising around the harbour with computer-controlled lights shows. Even at a cost to corporate sponsors of more than HK\$1m each there is healthy demand. "Companies want to demon-

strate their long-term commitment to Hong Kong," says Mr Dan O'Toole, business development director.

Few question the potential benefits for the tourist industry. But can Hong Kong cope? The media alone will impose a heavy burden. More than 2,300 journalists have so far registered to cover the event, and the final figure is expected to be in excess of 5,000. The Peninsula Hotel has been booked solid since 1993, while many of its rivals have waiting lists in the hundreds or thousands.

Hotel occupancy is already close to 90 per cent and the number of official hotel rooms is only expected to rise from 33,390 to 34,944 over the next year. One idea was to bring in cruise ships as floating hotels, but that was scuppered by the complications of ensuring full crews.

Social talk is already turning to letting out rooms to cater for the expected flood of arrivals. As one businessman puts it: "With the handover, as with anything else, there is healthy demand. "The one thing you can be sure of in Hong Kong is that people will make money."

# Suu Kyi turns down offer of exile

Burmese opposition leader tells Ted Bardacke of a determination to reach goals

**F**oreign investors have begun leaving Burma, but Ms Aung San Suu Kyi, speaking from the residence where she spent six years under house arrest, is adamant that she is staying. "I'm not going anywhere, except towards my goals."

The country's military regime would like the opposition leader to take a cue from two of the world's largest brewers, Heineken of the Netherlands and Carlsberg of Denmark, which decided this week to withdraw from the country. If she did agree to be exiled, the military says, talks on a political reforms would begin.

"The door is always open," says Ms Suu Kyi. However, she insists that dialogue between her National League for Democracy (NLD) and Burma's military regime be "substantive" and conducted on "the basis of equality".

Her "goal", transition to democracy and civilian rule in Burma, appears as elusive as ever. The basic problem is that the State Law and Order Restoration Council, or Slor, as the military regime which took power in 1988 is known, shows no sign of wanting to talk with Ms Suu Kyi or the NLD.

Ms Suu Kyi says that does not have to be so. She says there are no preconditions for dialogue with the military. A fresh parliament, possible transitional government, the future role of the military, even her own personal participation in any negotiations, are all on the table.

"The question about parliament is certainly part of any dialogue, but I think we want to discuss more basic matters."

Ms Suu Kyi can claim a victory this week in the decisions by Carlsberg and Heineken. She has encouraged an international boycott of investment and



Suu Kyi: "The door is always open"

tourism, and her lead has been followed by campaigners in Europe and the US who have applied pressure on multinationals.

But the possibility of a political victory at home remains remote, according to a leading Burmese political analyst familiar with the Slor.

The two basic things Suu Kyi wants, the acceptance of the NLD's 1990 election victory as a symbol of legitimacy, and a parliament where the military

does not have veto power, are the two

things that the military will not accept. The future is very gloomy," she said.

Instead the regime has used the increasing international pressure on the regime to denounce the democracy movement as a tool of "foreign interests", and drafted its own version of a new constitution that guarantees the military a "leading" role in national politics.

With foreign investors having second thoughts, the value of the local cur-

rency falling by one-third in the past two months and diplomatic pressure increasing, any criticism is taken as a challenge.

The regime holds daily ceremonies, backed by crowds of students and government employees forced to attend, where huge billboards are unveiled. "Oppose those relying on external elements, acting as stooges, holding negative views... oppose foreign nations interfering in internal affairs of the state. Crush all internal and external destructive elements as the common enemy," the billboards read.

"The military will settle with anybody but on their terms and their terms only. They find it hard to deal on a substantive level," says one diplomat. "These are people from a different era who lived in isolation for decades. Even in private conversations with people they need things from, friendly suggestions make them uncomfortable."

Yet on a day-to-day basis, the military remain firmly in control of the country. Ceasefire agreements with ethnic groups continue to hold in the provinces, and many investors still come to do deals with the military. Since widely publicised detentions in May, many of the NLD's strongest activists have gone underground or curtailed their activities.

Ms Suu Kyi continues to preach patience, believing that the situation cannot last forever and hoping that the military will relent.

"The impetus for dialogue will come when they realise that dialogue is not for the good of the NLD but for the good of the nation," she says. "But it's very difficult for military minds to grasp the fact that dialogue is meant to achieve an answer acceptable to all sides."

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## COMPANIES AND FINANCE: INTERNATIONAL

## Japan's tearaway starts break-up of the family

Gerard Baker on the reasoning behind LTCB's decision to sell big chunks of its cross-holdings

**B**y the strict standards of Japanese financial institutions, the Long-Term Credit Bank of Japan is proving itself something of an iconoclast. In February, it became the first bank publicly to declare an intention to make itself smaller, at least in terms of loan assets. In a country whose financial institutions pride themselves on scale above all else, it was a revolutionary move.

This week, however, LTCB went much further, outlining a plan by which it threatens to storm the very citadel of the Japanese capitalist system. Later this year it will begin selling large numbers of the shares it holds in big Japanese companies.

The system of cross-shareholding, where companies hold each other's equity as a way of cementing their corporate links, is central to the Japanese method of doing business. Inter-company trading is an important element of the system, but its real core and its initial raison d'être was always corporate finance. Banks own more than 24 per cent of all equity on the Tokyo stock exchange.

The LTCB move can be seen as a preliminary step towards the destruction of that system, taking the whole Japanese economy a good deal closer to the US or UK system, where shares are held primarily for investment purposes. The

implications are far-reaching for financial markets, too. The change would free up a much greater proportion of the shares genuinely traded on the Japanese stock market, the so-called free float, with enormous implications for prices and valuations.

LTCB officials are anxious to play down such apocalyptic interpretations of their actions. The bank would not be disposing of more than a relatively small proportion of its total shareholdings, at least to start with, it said. Officials specifically denied press reports that up to Y500bn (\$4.5bn) in equities - a fifth of the total book-value of the shares it owns - would be up for sale.

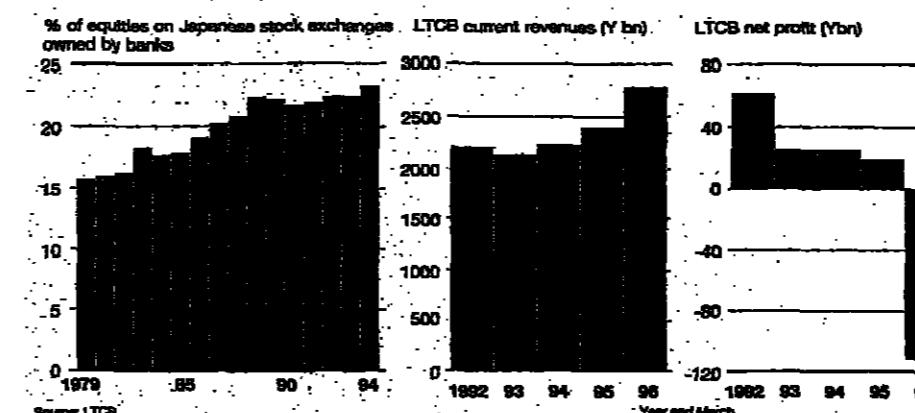
But it was the reasoning behind the decision - whose premises apply equally to all banks - which makes it genuinely ground-breaking. "The decision was taken after we

arrangement has been in place for most of the post-war period. Banks sit at the centre of large industrial webs, owning, directly or through affiliated companies, up to a third of the total equity of big companies in the group.

In the turn, those companies all own shares in the bank. It is an arrangement that has produced mutual benefits in the past. But it's time to take a longer-term view of their relationship with their customers when they have a large equity stake in them. For the non-financial members of the family that has ensured a stable supply of capital; for the financial institutions, it means a steady supply of customers.

But in the past few years, the costs to the banks of holding the equity have grown sharply. Most of the shares were bought in the 1960s and

## A luxury the bank could no longer afford



bought back the shares at the market price.

That has not only exhausted most of the hidden capital gains, it has also significantly raised the cost of holding the shares relative to other assets, since the book value of the equities has risen substantially, lowering the yield.

The market value of LTCB's

portion of holding the shares has diminished. Banks can even lend money at about 3.3 per cent.

"By selling the shares we can redeploy the funds much more effectively," LTCB says.

At the same time the barely

tangible value of the cross-

shareholding is declining too. Increasingly, big companies

depend much less on their

group bank for lending, since

they have direct access to capital markets.

Capital is also much less scarce than it was in the past. That has led to increased competition for lending among banks.

Companies now frequently stay outside the confines of the family for financing at the most competitive rate.

And, from the banks' side, the search for higher margins is leading them to seek more business with smaller companies, many of whom are not directly affiliated with any one

group. "The trend of cross-shareholding is certainly in long-term decline," says an official at one of the largest banks. "We now do much more business than we did even a few years ago with companies outside our immediate group."

None of this means the relationships central to Japanese

business will be dissolved soon. But the bad debt

crisis of the past few years has forced the banks' hand

## NEWS DIGEST

## Getinge forces the pace on MDT buy

Getinge, one of Scandinavia's largest medical technology groups, has stepped up its attempt to acquire MDT Corporation of the US, a hospital sterilising equipment manufacturer, by increasing its tender offer and extending the bid to July 22. The Swedish healthcare equipment maker said it had acquired 40 per cent of the Milwaukee-based company's shares and had increased the tender offer to \$3.50 per share, up from \$3.60. The new offer values MDT at \$7m.

Mr Carl Bengtsson, Getinge managing director, said: "We have a good position in all parts of the world outside the US. Now we will have a 25 per cent market share in the US in the sterilisation and disinfection field." Getinge said it was raising the offer as part of an agreement with Heartland Advisors, which has a 19.8 per cent stake, to acquire its holding.

The deal would take Getinge's interest in MDT to 60.1 per cent and it made clear that its minimum condition of 65.1 per cent control remained unchanged. Its shares lost SKr1 to SKr121 yesterday Friday. Getinge has grown rapidly in the past 18 months through a string of acquisitions. Spun off from Electrolux, the Swedish white goods manufacturer, in 1993, it posted pre-tax profits of SKr385m (\$38.3m) in 1995 on sales of SKr3.2bn and said earlier this year it expected 1996 profits to reach SKr1.8bn and SKr500m.

The company was fined by the Stockholm stock exchange this week for disclosing inaccurate information in its prospectus published last year for its hotly disputed takeover of Arjo, the world's leading supplier of patient handling and hygiene systems.

Greg McIvor, Stockholm

## Kvaerner wins Norsk Hydro deal

Norsk Hydro, Norway's biggest quoted company, has awarded a Nkr1.4bn (\$215m) contract for an oil platform deck to Kvaerner, the Norwegian engineering and ship building group. Norsk Hydro said the work would be completed in spring 1998.

Greg McIvor

## Sandvik raises Kanthal holding

Sandvik, the Swedish toolmaker, said it had increased its holding in Kanthal, a Swedish heating wire company, to 42.5 per cent of the capital and 22.6 per cent of the votes after allowing for outstanding warrants. Sandvik's SKr1.4bn (\$210m) bid for Kanthal was rebuffed in April by Trustor, an industrial holding company that controls about 50 per cent of voting rights.

Greg McIvor

## Volvo Aero takes turbine stake

Volvo Aero, the aerospace division of the Swedish vehicle maker, announced it had signed an agreement with General Electric to assume part-ownership of the US company's LM2000 electricity-generating gas turbine. Volvo Aero, which makes components for the turbine case, said the risk and revenue sharing arrangement would earn it SKr600m (\$90m) in the next 15-20 years.

Greg McIvor

## Kirch acquires 23% of Telepiù

Kirch-Gruppe, the German media group, yesterday confirmed it had increased its stake in Telepiù, the Italian pay-television company. Last night, Kirch said it had bought the 23.4 per cent stake in Telepiù held by Mr Renato Della Valle, an Italian businessman, to bring its total stake up to 57 per cent. However, Kirch denied rumours that it intended to withdraw from Mediaset, the media arm of Fininvest, Mr Silvio Berlusconi's private holding company. It said its stake remained at 5.2 per cent.

Wolfgang Münchau, Frankfurt

## COMPANIES AND FINANCE: UK

## Time Warner in local deal with Ameritech

By Tony Jackson in New York

Time Warner, the US entertainment group, has completed plans to offer local telephone services in the midwestern states of Ohio, Wisconsin and Indiana.

The group said it had agreed with Ameritech, the Chicago-based local phone company, on connecting the two networks so that customers of each company could talk to one another.

Time Warner, the second big-

gest cable TV operator in the US, will provide the service over its cable network, to both business and residential customers. The company has long-standing ambitions in telephone.

For Ameritech, the deal demonstrates the introduction of competition into its local monopoly. Under this year's deregulation of the telecoms industry, this is a condition local phone companies must meet before being allowed into the long-distance market.

Time Warner, the second big-

## Crédit Lyonnais rejects bond claims

By Andrew Jack in Paris and Samer Iskander in London

Crédit Lyonnais, the troubled French state-owned banking group, yesterday attempted to counter suggestions that it had broken ranks with normal practice in allocating only a small proportion of its FFr40bn (\$7.77bn) securitisation issue to other French banks.

Mr Loïc Bonete, head of syndications at the bank in Paris, said that the measures taken were justified by the fact that a deal of such a size had never been carried out before, nor one in French francs or

shares for example is now only slightly more than Y3,000bn - only about 20 per cent above the book value, compared with a gap of over 50 per cent for most banks a few years ago.

With shares yielding an average of only 0.7 per cent at current market values, the attract-

ive portions were not outside normal arrangements. "It is easy to criticise it now that it has gone well," he said. "It wasn't so clear a few weeks ago."

However, the three disaffected banks said that, according to long-standing practice in the French bond market, they each should have been allocated between 7 per cent and 10 per cent of the total amount.

Mr Bonete also stressed that the decisions, and the responsibility for the way in which the deal was structured, should be shared equally between Crédit Lyonnais and two other banks,

the US institutions which acted as line managers, Merrill Lynch and Morgan Stanley.

"From the moment they were appointed, all decisions - on pricing, timing and how it would be launched - were taken by all three," he said.

He suggested it was unjust for Crédit Lyonnais to carry all the blame for the way in which the deal was structured.

Tensions first surfaced between the leading private sector banks and Crédit Lyonnais when the French government last year finalised a rescue package for the latter involving state aid.

## Alizyme falls to biotech bears

By Simon Kuper

Alizyme has become the latest victim of the bear market in biotechnology stocks.

The Cambridge-based company expects to raise only about £4.5m net - a third of its original target - when it floats on the Aim on Thursday.

The placing price will be 60p - valuing the company at £10.4m - against an initial 150p target. The 8.33m shares issued will represent 48 per cent of the enlarged share capital.

Three weeks ago the com-

pany, founded to develop drugs for obesity and gastro-intestinal disorders, said it hoped to raise £12m-£15m, with a valuation of £20m-£30m.

The market's appetite for biotechnology stocks, particularly smaller ones, appears sated. Analysts say these companies have raised about £200m on the stock market in the first five months of the year, with institutions being asked to invest in five flotation and several rights issues on the main market alone.

Many investors have diffi-

culty, a small drugs company.

Mr Jurek Sikorski, chief executive of Proteus International, the biotechnology company which raised \$2.4m in a rights issue in April, said some recent cash calls had not been balanced with much news about products making progress in the clinic.

An adviser to Alizyme admitted its placing would have had more success a month ago, and said the company was happy to "get it away" at all. Alizyme made pre-tax losses of £300,412 in the five months to May 31.

## Proteus produces first revenues

By Simon Kuper

Proteus International, the Macclesfield-based biotechnology company, achieved its first revenues last year.

But the shares, which trade on the USM, fell 6p to 67p yesterday, aggravated by unfavourable sentiment towards the sector.

Sales from licensing deals in the year to March 31 were £1.1m, which together with research cuts helped reduce pre-tax losses 32 per cent to £5.4m (£7.9m).

Of the licensing income, £1m derived from Proteus' vaccine for prostate cancer, licensed to ML Laboratories, the pharmaceuticals company. The vaccine entered Phase II clinical trials this week. ML has paid Proteus an initial licensing fee, to be followed by milestone payments up to £4.75m. ML hopes to have the product on the market by 1998, but Mr Jurek Sikorski, Proteus' chief executive, said he was "not so optimistic" on the timing.

Proteus has received a £406,000 grant from the Department of Trade and Industry to underpin its DNA-binding drugs programme.

It has 37 employees, down from 110 two years ago. The company intends to move to the main market.

Losses per share fell from 25.4p to 16.45p. Analysts forecast sales of £1.7m, with pre-tax losses of £2.3m this year.

Those who are left in the market say they can use the skills developed as registrars to generate other business.

"Our skills can be used in other areas of outsourcing, such as paper handling," says Mr Vause. RBS offers its services to company share option or profit sharing schemes, and runs a cheap dealing service.

The key to a successful registrar is sophisticated technology. Abbey has developed a document imaging process which allows all its shareholder information to be stored electronically. RBS is using barcode on all its application forms. Registrars must also

have technology which can accommodate Crest, the new paperless share settlement system.

Prior to a registrar taking over a members list, it is the building society's responsibility to "de-duplicate" its list to make sure there are no repeats among shareholders, who may have more than one account with a society.

The converting building societies have selected their registrars from a dwindling pool. As recently as 18 months ago, there were about 150 registrars. Now there are less than 25, with some of the larger players such as National Westminster selling its business to RBS in 1994 and Barclays withdrawing from the market earlier this year, transferring its customer base to Independent Registrars Group. When Barclays withdrew it said it could not justify heavy IT investment in a low-margin business.

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## COMPANIES AND FINANCE: UK

Managing director of holidays division resigns and prepares to make an offer

## Rank puts Shearings up for sale

By Scheherazade Daneshkhu, Leisure Industries Correspondent

Rank, the diversified leisure group, put its coach holiday business up for sale yesterday, only weeks before Mr Andrew Teare, its new chief executive, is to unveil a full strategic review of the company.

Mr Teare promised that the announcement of Shearings' sale was "only a small preview of what we are going to do".

Rank indicated that it would prefer to keep the proposed sale under wraps until August 8. However, the

announcement was prompted by the resignation of Mr Angus Crichton-Miller, previously managing director of the holidays division, who is preparing an offer for Shearings.

Shearings, Europe's largest coach holiday operator, is expected to fetch £70m-£80m. It made operating profits of £2m in 1995, turnover last year and has net assets of more than £50m. It has 30 UK hotels which are included in the sale.

Rank is believed to have regarded Shearings, which is similar to a tour operator, as peripheral to its resort-based holiday businesses.

Its sale will reduce Rank's collection of businesses to 15 and Mr Teare is expected to streamline it further. He is also expected to cut costs, possibly by restructuring Rank's four main divisions - holidays, recreation, leisure, and film and television.

Analysts speculated that Mr Crichton-Miller's decision to step down indicated disagreement with Mr Teare over plans for the lacklustre holidays division. Its mature businesses, including Butlin's holidays and Haven, the caravan park operator, are expected to come under scrutiny as are the new

capital-intensive Oasis Villages, costing up to £100m each. The first of these near Penrith in England's Lake District, is due to open next year but plans for two more by 2000 may be frozen.

Instead, Mr Teare is expected to focus on growing Hard Rock cafés, over which Rank gained full control last month through the \$410m (£260m) acquisition of cafés it did not own. He may also step up investment in multi-leisure centres and gambling.

The shares suffered a sharp fall earlier this week after a profits downgrade from ABN

Amro Hoare Govett, which said the stock was overvalued. It cut its pre-tax profits forecast by £15m to £45m for 1996.

The heads of three of Rank's four main divisions will have changed by the end of the year. Mr Crichton-Miller's resignation follows that of Mr James Daly, former managing director of the film and television division who retired in April. Both had been directors since 1982.

Mr Terence North, managing director of leisure, who has assumed responsibility for the holiday division, is also due to retire at the end of the year.

## Goldsboro bid looks close to failure

By Simon Kuper

Westminster Health Care's £73.1m hostile bid for rival Goldsborough looks close to failure yesterday, when Goldsborough said shareholders holding more than 35 per cent of the company had decided to reject the offer.

Those intending to retain their stakes include Schroder Investment Management, the largest institutional investor with 14.2 per cent, NatWest Ventures, with 3.1 per cent, and management, with 2 per cent. The other 16 per cent belong to institutions which Goldsborough would not name.

Westminster's offer of 54 shares for every 100 Goldsborough closes at 1pm on Tuesday. The bidder, which already owns 9.1 per cent of Goldsborough, must now hope to take almost all the approximately 20 per cent of shares owned by private investors and the approximately 36 per cent held by institutions which have yet to show their hand.

Newton Investment Management, the Henderson Administration Group and Scottish Equitable Life all have significant holdings.

Goldsborough's announcement appeared after the market closed yesterday. Its shares were unchanged at 163p, while Westminster's fell 3p to 309p.

An adviser to Westminster said: "Shareholders in Goldsborough will be thinking about what will happen to their shares if the bid fails." Goldsborough shares were trading at just over 120p before Westminster made its offer on June 17.

Mr Pat Carter, Westminster chief executive, said: "I think it's going to be a close run thing, no question." He said Westminster's case had been "well received" by institutions.

Goldsborough said: "We hope that other shareholders may be wavering and will take heart from the fact that the larger shareholders have decided to back the management."

## NEWS DIGEST

## Southern Water directors' gains

The four directors of Southern Water are set to gain more than £2m from the utility's takeover by Scottish Power.

Once Scottish Power's £10.50 offer wins unconditional acceptance the directors are expected to cash in share options worth £1.55m and shares worth another £1.64m, as listed in the annual report published yesterday.

The board, which had recommended a lower offer by Southern Electric before the increased final Scottish bid, is thought unlikely to want to keep its shares and options Southern's offer had guaranteed members continuing board positions.

Mr William Courtney, executive chairman, has most to gain from the deal: his 67,048 shares are to realise £704,000 while he owns share options worth £240,000 at the takeover price.

Mr Courtney was the highest paid director last year after receiving an 11 per cent increase to £203,000. He also gained £239,140 in the form of share options before the end of March and received a £50,000 pension contribution.

The three other executives - Mr Martin Webster, chief executive, Mr Raymond King, finance director, and Mr Keith Tozzi, technical director - also cashed in share options during the period.

The four executives' total remuneration rose by up to 12 per cent. They were also awarded a performance-related bonus of about 22 per cent of basic salary in the year.

Jane Martinson

## Blue Arrow board changes

Ms Diana Cornish, the former managing director of Brook Street, is to return to the forefront of the recruitment industry as chief executive of Blue Arrow Personnel Services.

Her appointment was announced yesterday by Corporate Services Group, the fast-growing employment services and training company which bought Blue Arrow for £47.8m in March.

Corporate Services also announced that Ms Irene Marvin and Mr Michael Crosswell, who joined the board after the Blue Arrow acquisition, had resigned. They were both part of the five-person management team at Blue Arrow which had owned a 15 per cent stake in the company and which made £2m from the deal.

Ms Cornish, 53, left Brook Street in 1982 although she has remained involved with a number of private companies in the employment industry.

In 1989 she led a management team that planned to buy Manpower's five UK subsidiaries, which included both Brook Street and Blue Arrow Personnel Services. However, the £105m deal collapsed when the MBO team asked for the price to be reduced.

In the 1980s Blue Arrow was one of the operating companies in the group of the same name headed by Mr Tony Berry. The group was the subject of a fraud trial after an £87m rights issue to finance the acquisition of the much larger Manpower. The group also faced a Department of Trade and Industry inquiry in the early 1980s. The trial convictions were quashed on appeal and the DTI later dropped proceedings to disqualify Mr Berry as a company director.

Geoff Dyer

## Nat Express gets ex BET man

National Express, the passenger transport company, has appointed Ernest Patterson, a former director of BET, the business services group, as its new chief executive.

He replaces Mr Ray McMillin who announced in November that he was to step down because of health reasons.

Mr Adam Mills, National Express's deputy chief executive, had been viewed as the favourite to get the job, however last month he was seconded to London & Continental Railways, the consortium which is to build the channel tunnel rail link and in which National Express has a 17 per cent stake. Mr Mills is widely tipped to get the chief executive's post at LCR.

Mr Patterson, 49, left BET after it was taken over by Rautokil earlier this year. He joined BET in 1985 and spent 13 years managing its bus interests in South Africa. From 1990 he ran the group's transport and distribution interests.

National Express also announced that passenger numbers at East Midlands airport, which the group owns, had fallen 5.4 per cent in the second quarter of this year to 522,000, due to a reduced volume of charter traffic.

Geoff Dyer

## Emap assures on non-executives

The Association of British Insurers has obtained assurances from Emap, the media and exhibitions group, on the minimum number of non-executive directors it plans to have in future.

Proposed changes to Emap's articles of association, including the minimum number of non-executives, will be put to the company's annual meeting on Thursday.

The majority of the Emap board wants to remove a rule that says there should be a minimum of five non-executive directors and set the new level at three. In addition Emap wants to be able to remove any director with the written agreement of at least 75 per cent of the board.

Two non-executives, Mr Kenneth Simmonds, professor of marketing and international business at the London Business School, and Mr Joe Cooke, former managing director of The Telegraph group, are opposing the changes.

The ABI sought undertakings that Emap would honour the spirit of the Cadbury Committee on corporate governance, which is set to set a minimum of three non-executive directors. Sir John Hoskyns, chairman of Emap, has written to the ABI assuring it that Emap would consult if there ever was a plan to have less than three. But dissident non-executives are irritated by the move, criticising it as consulting with minority institutional investors without giving formal guarantees to all shareholders.

Raymond Snoddy

## Prism Leisure 22% ahead

Prism Leisure Corporation, the computer games reseller, achieved a 22 per cent growth in pre-tax profits to £2.1m in the year to March 29.

Turnover improved 16 per cent to £27m, with sales of computer games, the largest division, up 26 per cent to £2.8m. Exports and sales to large multiples performed well, Mr Geoff Young, chairman, said.

Sales in the audio and video division rose but margins fell slightly. The improved sales trend at the end of the year had continued, Mr Young said. The German arm had a better year while the loss of a large contract affected profits at Burns & Porter Associates. In the first quarter of the current year, sales in the main divisions had been ahead of last year.

## Avocet Mining £2.1m in red

Spending to bring its Malaysian gold mine into production and to improve its recently-acquired tungsten mines led Avocet Mining to report a £2.1m loss for the full year, against a £200,000 pre-tax profit last time. The loss was well within forecast. Turnover for the year to March 31 rose from £1.5m to £19.4m, with expenses rising to £20.2m (£5.2m).

## Tunstall shares fall on warning

By Patrick Harverson

Shares in Tunstall, the manufacturer of emergency communications systems for the elderly, fell 18 per cent yesterday after the company issued a profits warning because of poor orders in its new security and access control business.

The company warned that pre-tax profits this year would only be about level with the £2.3m in operating profits achieved last year.

Analysts had been predicting profits of more than £10m for the year to September 30, and the shares fell 67p to 310p. The setback comes only 3 months after Mr Michael Dawson, chairman, told shareholders: "I have never been as confident as I am at the moment about future prospects."

The company said the profits warning was prompted by the decision of some UK local authorities not to order security and access controls. Earlier in the year Tunstall had confidently expected the orders to be made.

Mr Dawson said funding shortages had forced the local authorities to re-invest in spending on perimeter and building security. He said the group would review whether to stay in security and access controls, a relatively new and non-core business for Tunstall.

However, he said action had already been taken to "rectify" the problems in the business. He would not explain what the action entailed, but yesterday the group announced that Mr Graham Matthews, chief executive of the telecommunications division, had resigned.

Yesterday Mr Dawson pointed out he had admitted at the interim results in May that the performance of some divisions had been disappointing, but said the core business of providing emergency communications for the elderly remained healthy.

## VAI contests espionage allegations

By Andrew Taylor, Construction Correspondent

VAI, the civil engineering group, has applied to Austrian courts for an injunction prohibiting Kværner, the Norwegian engineering and shipbuilding group, from making allegations that VAI had been guilty of industrial espionage.

The Austrian-based group said it had sought a court ruling confirming the inaccuracy of the allegations that in conjunction with the award of a Saudi Arabian contract VAI or their directors committed a breach of confidentiality, induced third parties to execute a breach of contract or conspired to obtain confidential information.

Kværner said last night that it was unable to comment until it had received any writs.

## Scottish TV plans media group

By Raymond Snoddy

Scottish Television's £120m bid for Caledonian Publishing, publisher of *The Herald* in Glasgow, is part of a move to create a broadly based media company in Scotland.

Mr Gus Macdonald, the Scottish TV chairman, has ambitions to expand in magazine publishing in Scotland and has been talking for some months to Caledonian, which also publishes the *Evening Times* in Glasgow.

Scottish TV has already published a magazine linked to one of its regional ITV programmes, *The Home Show*. The magazine is devoted to buying furniture and furnishings in Scotland, as opposed to magazines that serve the English market.

"We are planning Scottish magazines on fashion and cars," says Mr Macdonald, who believes Caledonian can help expand the the ITV company's publishing interests.

He says: "We are starting to create a strong cross-media company in Scotland," and adds that the Caledonian approach has been welcomed by analysts.

To fund the Caledonian



Gus Macdonald: planning Scottish car and fashion magazines

acquisition, Scottish has about £40m in cash and could raise funds against assets such as its 20 per cent HTV stake.

Mr Macdonald emphasises that the two companies have a complementary advertising

profile. More than 80 per cent of advertising in *The Herald*, which mainly circulates in Glasgow and the west coast of Scotland, is local, but about 90 per cent of Scottish TV's advertising is national.

Caledonian Publishing has

also received a flotation, expected to value the company at about £100m, to consider the approaches it has received.

## London Clubs investors wonder whether their luck will hold

Scheherazade Daneshkhu weighs up prospects for the gaming group

The wood-panelled elegance of a former Rothschild mansion on Park Lane is home to one of London's most profitable casinos. Its more important guests can gamble and dine discreetly in one of two salles privées and avail themselves of a limousine service on the house.

Whether their luck matches that of investors in London Clubs International, the company which owns Les Ambassadeurs and owns or operates 15 other casinos, is another matter.

Anyone taking a punt on London Clubs when it floated on the USM at 200p a share two years ago can certainly regard it as a lucky bet. On the main market since May 1995, the shares have risen strongly, especially in the past year, reaching a high of 575p. They closed yesterday down 17p at 543p.

Profits have also grown comfortably. Last month, the group reported pre-tax profits of £33.3m in the year to March 24, up from £28.4m the previous year after it doubled pre flotation profits.

The government's promise to ease the UK's strict gaming regulations has helped the shares, as has speculative interest, particularly from US gaming companies. London Clubs is an obvious target for an earnings enhancing acquisition or get taken over. "Either way, they are an attractive company because they are a potential takeover target and they are in a strong financial position."

Analysts are predicting profits growth of at least 11 per cent to £37m-£39m for 1996-97.

Most analysts see the likely bidders as US gaming compa-

nies with international experience, such as ITT Corporation and Hilton Hotels Corporation, while some do not rule out a bid from domestic groups, such as Ladbrokes or The Rank Organisation.

The UK is one of the most attractive markets, especially London which has a lot of international business," says Mr Paul Heath, leisure analyst at UBS.

Mr Greg Feehely, leisure analyst at Kleinwort Benson, believes that, since the business is extremely cash generative, with 47 times predicted interest cover, London Clubs could make an earnings enhancing acquisition or get taken over.

"Either way, they are an attractive company because they are a potential takeover target and they are in a strong financial position."

Most analysts see the likely bidders as US gaming compa-

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**Southern Water**  
directors' gains

**WEEK IN THE MARKETS**  
**Copper**  
**volatility**  
**returns**

Volatility returned to the London Metal Exchange's copper market at the end of this week after a period in which the extreme nervousness caused by the Sumitomo crisis had receded and calmer conditions had prevailed.

At one stage yesterday the three-month delivery price dipped to \$1,790 a tonne, within \$45 of the 24-year low hit in the immediate aftermath of Sumitomo's revelation of the enormous scale of its copper market losses. A later recovery took the price to \$1,850 at the close, down \$6 on the day and \$55 on the week.

A fresh wave of investment

**LIVE WHEAT STOCKS**  
(As at Thursday's close)  
tonnes

Aluminium 2,800 to 260,075

Aluminium alloy -500 to 55,000

Lead -200 to 25,000

Nickel -10 to 22,120

Zinc +2,475 to 567,000

Tin -150 to 10,000

fund selling on Thursday had shaken the copper market's precarious balance and heightened continuing uncertainty about the Sumitomo situation. News yesterday that LME stocks were down by only 275 tonnes, much less than had been expected, removed one potential boost to sentiment and opened the way for further technically-inspired selling. "They were looking to see if there were some big stops below the market," one trader told the Reuters news agency, referring to stop-loss buying orders placed by operators who had sold "short" in the hope of covering more cheaply later.

Other LME metals followed copper's overall downward trend on the week. The biggest loser was nickel, which ended \$305 down to \$7,345 a tonne in the three-months position after dipping to a 14-month low of \$7,250 at one stage. This market's particular weakness was attributed to speculative

Richard Mooney

**WEEKLY PRICE CHANGES**

Latest price	Change on week	Year ago	1995 price
\$384.55 +2.90	\$382.40	\$415.40	\$372.00
per tonne	per tonne	per tonne	per tonne
Aluminium 65.7% (cash)	+0.10	\$1,805.50	\$1,633.00
Aluminium A (cash)	-5.50	\$220.00	\$190.05
Lead (cash)	+7.75	\$445.50	\$427.75
Nickel (cash)	+17.50	\$868.00	\$815.00
Zinc 65% (cash)	-11.00	\$103.00	\$102.00
Tin (LDP Raw)	+4.80	\$275.00	\$265.00
Silver (LDP Raw)	\$317.70 +1.00	\$324.10	\$292.90
Barley Future Sep	+1.00	\$105.25	\$103.85
Wheat Future Sep	+1.50	\$111.40	\$114.10
Cotton Outlook A Index	-78.45	\$131.15	\$176.65
Wool (6s Super)	+4.00	\$500.00	\$420.00
Oil (Brent Blend)	\$184.15X +0.50	\$182.13	\$16.90

For tonne unless otherwise stated. <sup>a</sup> Per Tonnes. <sup>b</sup> Cents b. x \$ per tonne

**WORLD BOND PRICES**

**MARKET REPORT**

By Lisa Branstrom in New York and Richard Lapper in London

The yield on the benchmark 30-year Treasury bond moved below 7 per cent in early afternoon trading as continued weakness in the equity market led traders to bet there would be a flight to safety in bonds.

Bond prices were lower in early trading but started to rise at late morning as the stock market began tumbling. Near midday the long bond was 28/32 stronger at 95.96, to yield 6.995 per cent. At the short end of the maturity spectrum, the two-year note gained 1/16, yielding 6.214 per cent. The September 30-year bond future gained 2/32 at 108.95.

The yield curve that traces the spread between the yield on two-year notes and the long bond flattened by two basis points to 75 points.

Mr Woody Jay, head of global government bond trading at Lehman Brothers, said the equity market was the day's focus.

"People think that either the stock market is telling you that the economy is cooling off, so the Fed won't have to go or

**BENCHMARK GOVERNMENT BONDS**

	Coupon	Red Date	Days' change	Yield	Week ago	Month ago
Australia	10.000	2/05/98	+0.140	8.87	8.86	8.85
Austria	8.250	1/05/98	+0.050	8.80	8.79	8.63
Belgium	8.000	1/05/98	+0.080	8.82	8.81	8.71
Denmark	7.000	12/05/98	+0.000	7.71	7.72	7.63
France	8.000	0/05/98	+0.140	7.56	7.44	7.45
Germany	8.750	8/05/98	+0.000	7.57	7.57	7.57
Italy	8.000	0/05/98	+0.000	7.50	7.49	7.45
Japan	No 140	8/00/00	+0.000	7.50	7.50	7.50
Netherlands	8.000	1/05/98	+0.000	8.53	8.52	8.52
Portugal	11.675	2/05/98	+0.000	8.71	8.70	8.65
Sweden	8.000	0/05/98	+0.000	7.22	7.22	7.35
UK Gilt	8.000	10/05/98	+0.082	7.12	7.12	7.04
US Treasury	8.675	5/05/98	+0.000	10.21	10.21	10.21
ECU (French Govt)	7.500	0/05/98	+0.000	8.05	8.05	8.05

London closing, New York mid-day

<sup>a</sup> Gross financing withholding tax at 12.5 per cent payable by nonresidents

Source: AMT International

MARGINED CURRENCY DEALING						
CALL TOLL-FREE						
Laurion						
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■ Limited liability guaranteed						
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OR CALL DIRECT						
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Fax: (401) 40 321 651						

Source: AMT International



## COMMENT &amp; ANALYSIS

Man in the News • Sir Hugh Annesley

## Caught between two forces

John Murray Brown and John Kampfner on how the Portadown march has undone the chief constable's attempts to bridge Ulster's divisions

**A**s Northern Ireland has hurtled back into sectarian strife this week, the focus for much of the blame has been on Sir Hugh Annesley, chief constable of the Royal Ulster Constabulary.

First, his decision to stop an Orange parade from passing through the Roman Catholic estate of Garvaghy Road in Portadown brought tens of thousands of loyalists on to Ulster's streets. The demonstrators accused the largely Protestant officers of being the lackeys of Dublin.

Then, after four nights of mayhem across the province, he ordered his exhausted officers to force the Catholic residents off the streets and allow the Protestants to march through. Might was seen to have been right.

Cardinal Cormac Daly, Ireland's Roman Catholic primate, accused the chief constable of "capitulation". The painstaking efforts of years to improve the standing of the RUC among the nationalist minority were ruined.

Once again, the police were seen as agents of Protestant hegemony. It was the turn of Northern Ireland's nationalists to take to the barricades, with rioting in Catholic areas and shots fired at police in Belfast.

As the victorious Orangemen paraded through Garvaghy Road on Thursday, Sir Hugh stepped into the eerily empty People's Park in Portadown to explain his actions. "There is no use pointing to the RUC. I don't have a magic wand. Even the four church leaders couldn't succeed in getting a compromise," he said. His language was infused with exasperation. "In this force I have been impartial if I've done nothing else," he said. "I am sick and so are my colleagues, sick to death of being stuck in the middle of an unwinnable situation."

For Sir Hugh, who recently announced his intention to retire in November, it is an unhappy end to seven years at the head of the UK's second largest police force. Until this week, he had a record as a steady and impartial hand.

An Ulster Protestant brought up in Dublin, he took over at the height of the troubles after a high-flying career with London's Metropolitan police. He was no stranger to terrorism, having been head of recruits after the ceasefire, 20

per cent were Catholics, the highest proportion yet.

But the events in Portadown reflect the pressures of policing Northern Ireland's divided community - difficulties that outsiders find hard to understand.

The first Orange parades began 100 years after the Battle of the Boyne in 1690 in which the Dutch King William of Orange defeated the Catholic King James II. As demonstrations of Protestant pre-eminence, they have taken on added vigour with talk of giving the Irish Republic a say in Ulster's governance and greater rights for the nationalist minority.

Throughout the troubles, those connected with the security forces were ostracised by Catholic neighbours and considered by the IRA a "legitimate target". However, the strategy of integration paid dividends. Of the first batch of recruits after the ceasefire, 20

in the annual marches, which reach a peak on July 12, thousands of Orangemen in orange sashes march to fifes and drums bands to demonstrate Ulster's loyalty to the British crown. Most parades are confined to friendly territory. However, each time a march in a contested area is re-routed it is seen as a surren-

der of territory. Portadown is just such a flashpoint, with only a sliver of the route going past a Catholic estate.

Unionists and nationalists say that both Sir Hugh and ministers opted for the worst of both worlds: first in preventing the march, then in allowing it through. Both sides are sceptical of his claims to have acted independently of the politicians, taking purely "operational" decisions.

Suspicion that he had been following instructions from the Northern Ireland Office was stoked when Dublin spoke of London breaking an "agreed approach" that the march would not be let through. But a senior member of the government said that although the three Northern Ireland ministers had been "kept informed" on an hourly basis, they had not tried to interfere.

It was not hard to appreciate why Sir Hugh appeared so forlorn on Thursday. Months ago, he had supported the idea of an independent tribunal to



Philip Stephens

## A return to the landscape of the past

Commemorating a battle of 300 years ago would be comic were its implications for today not so tragic

Once again sectarianism has triumphed over sanity, rioting has trampled on the rule of law. A year, even nine months, ago Northern Ireland seemed a different place. In a few short days the familiar landscape of violence has been restored.

Many will say that was inevitable. When the terrorists of Sinn Féin/IRA ended their ceasefire with bombs in London and Manchester, they doubtless planned for the resumption of the conflict on the streets of Northern Ireland. But they wanted others to bear the opprobrium. Sure enough, the men (there are no women) of the province's Protestant Orange Order have played directly into republican hands.

Marching along the nationalist Garvaghy Road in Drumcree and the Lower Ormeau Road in Belfast, militant unionism in the province has claimed an infamous victory. It has shown once again how by public disorder and sheer force of numbers it can defy the authority of the state to which it swears fealty. Its leaders see no contradiction in pledging loyalty to the Queen and then ignoring her laws.

The Orange parades have reasserted the Protestant supremacy which unionists saw threatened by John Major's attempt to lure the IRA to the negotiating table. As nationalists have rioted in their turn, events this week have torn down the fragile bridges across the sectarian divide built so painstakingly over two years of relative peace.

In the process the British government has been humiliated and the Royal Ulster Constabulary discredited. It hardly matters whether Sir Hugh Annesley, the chief constable, was right in his initial decision to bar the Orangemen from their traditional route in Drumcree. Once the decision was taken, to back down in the face of the mob was to concede that might in Ulster prevails over right.

But a frightened unionism has made an historic mistake. It may be irrecoverable. In its quest to find security in the past, it has been as blind as is the republican movement to the present. It is oblivious to the mood in the rest of the United Kingdom, careless of its mainland allies in opposition to a united Ireland.

To Mr David Trimble, the Ulster Unionist leader, the right of the Orange Order to march unimpeded along the Queen's highway and the burning of the Irish tricolour on Protestant bonfires are an expression of "Britishness". But it is one of the many curious paradoxes of Northern Ireland that each such demonstration serves only to amplify the gulf between Ulsterman and Englishman.

To watch, from the other side of the Irish sea, the ser-

ried rows of mean-faced marchers commemorating a battle fought between two kings more than 300 years ago is to gaze upon an alien culture.

The bowler hats, the pipes and drums, the orange sashes: it would be faintly comic if it were not so tragic.

There can be no pretence that this is simply a quaint tradition, a piece of folklore akin to the Morris dancers of rural England. In its exclusive Protestantism and cultivated militarism, the Orange Order is Northern Ireland's most deliberate expression of unionist hegemony.

But in the pubs and clubs of London, Birmingham and Manchester this weekend there will be no celebration of a "British" victory over Irish nationalism. There will be talk, of course, of the royal family, of how much Princess Diana has extracted from Prince Charles as the price of divorce. Mention William of Orange, Ulster's King Billy, and you will get nothing but a blank stare.

Perhaps I have been somewhat unfair to Mr Trimble. He has been caught between constitutional and street politics. The vivid television shots this week of the unionist leader stranded between the police and Orange lines at Drumcree provided an indelible image of his dilemma. And in the multi-party talks which began last month on the political future of the province Mr Trimble has taken a more constructive approach than his predecessor's pronouncements suggest. He speaks too from disloyalty and backstabbing among his party colleagues at Westminster.

Nor can there be any excuse in all this for the orchestrated rioting by nationalists in Londonderry and Belfast. It is not hard to imagine the grim satisfaction that the return of barricades and rubber bullets has brought to the commanders of the IRA.

But if the British government and the RUC have been losers this week, so too have the leaders of moderate unionism. They have been seen once again to lose control of the community they represent.

The outlook then is bleak. The political talks must continue. New arrangements can and must be made to secure a compromise between the rights of Protestants to march and those of Catholics to tranquillity and security.

But the risk is that politicians in London and perhaps in Dublin will quietly give up on Northern Ireland, opting for a return to the policy of containment seen during the 1970s and 1980s. And herein lies the cruellest irony of all. Militant unionism is driven by fear that Westminster plans to wash its hands of Northern Ireland. There is no such plot. But the Orangemen imperil their own cause. Another decade or so of sectarian violence and many in Britain would begin to ask whether the principle was worth the price.

When we finally defeat this epidemic, historians will look back and observe that

1996 marked a strategic turning point in the global effort against HIV and AIDS.

With those words, the organisers

closed the 11th International Conference on AIDS in Vancouver, Canada. More than 14,000 participants, plus 2,000 staff and volunteer organisers, had witnessed an extraordinary mixture of science, show business, humour, tragedy, protest and commerce.

The science offered a vision of AIDS no longer as an unstoppable plague but as an illness that can be treated. Clinical trials data presented at the meeting showed that new, three-drug combinations stop the replication of HIV, the virus that causes AIDS. Without replication, the virus quickly disappears from the bloodstream, at least as far as tests can show.

With no virus circulating,

the immune system begins to recover and patients' health returns. In one trial, patients on a triple therapy for 48 weeks showed 15 times the increase in the number of CD4 cells - the part of the immune system attacked by HIV - than those on an older, two-drug regime. These beneficial effects are experienced by a large majority of the people in clinical trials. That means HIV can be frozen in its tracks, for 48 weeks at least.

The power of the new drugs to tackle HIV, a virus identified in the mid-1980s, has surprised researchers. About \$2bn

a year is spent on AIDS research each year, but until now there was little to show for it. The one great hope, Glaxo Wellcome's AZT, turned out to be a let-down. That may yet be the case with the triple therapies. But as dramatic was the effect on most patients that speaker after speaker hailed the trials' results as unthinkable even six months ago.

The news was not all good. Patients have to perform feats of gastronomic precision with their daily regimen of 15 or 20 pills. Some must be taken more than two hours after and one hour before food, some with a lot of water, and some not together with the others.

Failure to obey these rules is worse than not taking drugs at all. Unless the virus is hit fast and hard, resistance to the drug can build up within weeks. Increasing the dose to "normal" levels from too low a base than no longer works.

Side-effects are still a problem. Nine people in one 97-strong trial dropped out because they developed kidney stones. Trials so far have been on a small scale, lasting for less than a year. New strains of HIV are spreading.

Perhaps most important, the patients are not "cured". The virus remains dormant in the body for a long time. Exactly how long is a question that should be answered over the next few months, says Dr David Ho of the Rockefeller University in New York.

One test scheduled for October is designed to find out

whether recently infected patients, immediately treated for one year on the most powerful triple therapy, will have had the virus completely eliminated. The test is risky: a patient must volunteer to stop taking the medicines. If even a handful of virus particles have survived in what scientists call "sanctuaries" in the body, the infection will return.

If that does happen, however, there are plenty more avenues for scientists to explore. Advances in understanding how HIV works at a

molecular level have created what one speaker called "a road map for future drug research". There are at least another 10 mechanisms essential to the life-cycle of HIV that will be targeted by research scientists, as well as the intriguing idea that proteins that occur naturally in the body could be harnessed to defend CD4 cells from HIV.

Science was the star of the Vancouver show but the supporting cast ranged from men in six-foot condom suits hand-

ing out packs of contracep-

tives, to actress-turned-AIDS activist Elizabeth Taylor. There was hard-nosed business to be done too. The manufacturers of AIDS drugs - mainly Merck and Abbott Laboratories in the US, Roche of Switzerland and Glaxo Wellcome of the UK - jostled for position in front of the cameras, or discreetly let it be known they were subsidising meetings devoted to HIV/AIDS in developing countries.

Some companies marshalled economists to show that expensive though the new drugs

were - a year's supply for tri-therapy costs between \$10,000 (\$5,400) and \$15,000 - they were cheaper than looking after someone who was dying. None of this dissuaded AIDS activists from accusing drugs companies of hype and profiteering.

Most days, members of Act Up, the most prominent group, descended on one of the companies' stands and plastered it with stickers.

But the conference also marked the integration of most of the activists' movements into the mainstream of the AIDS world. Act Up members were involved in the organisation of the conference and had passed that allowed them into the exhibitions to launch their raids.

They condemned one fringe group which threw red dye over a group of scientists.

Most of the AIDS victims attending simply told their stories. Ms Katherine Nyrenda, a 24-year-old Zambian dying of AIDS, left her hospital bed to tell how she had been chased from her home after being infected with AIDS and refused shelter by her relatives. In Zambia, she said, one urban woman in five was HIV positive by the age of 20, and children as young as eight were nursing their dying parents.

Twenty-two million people are infected with HIV, with more than 90 per cent in developing countries. The total is rising by 7,000 a day, with some of the fastest increases among women and heterosexual men. But the gloom of the previous conference two years ago in Yokohama, Japan, was gone. In its place was a feeling that hope had a rational basis.

non-registered shares hitherto held only by the family to top management members. "They have become members of the family pool," says Mr Baer.

Some traditional banks have gone a step further. Brown Brothers Harriman in New York, for example, now bars any child of a partner from employment within the firm.

Ironically, some of the most talented financiers who have found themselves frozen out by the family's dominance have themselves been members of the family.

Again, Rothschild proves the point. The founder of the London firm, Nathan, set out for England in 1798 because he clashed frequently with his father, Mayer Amschel Rothschild. "There was not room enough for all of us in Frankfurt," he told London friends.

In the present generation, too, Jacob Rothschild is widely reckoned to have much more of the banking flair that characterised some of his ancestors than the irascible and occasionally erratic Sir Evelyn.

"There is a feeling that if you were really good, you would be able to make it on your own. In the family firm people can always point to your name, and say you would not have made it on your own," said the descendant of another famous banking family.

The biggest constraint on family banks today, however, is capital. While private partnerships remain entirely practical in sectors such as asset management and corporate advisory work, which demand little capital, ordinary commercial banking, securities underwriting and trading have become much too hungry for capital to be supported by family pockets.

Family-owned banks have become progressively less important as the amounts of capital involved in things like underwriting have become so enormous," says Mr William Salomon, deputy chairman of RBS Brothers, a London merchant bank controlled by his family.

The Rothschilds may not yet be condemned to clog, but heredity and capital are now conspiring to make their future as a family-dominated business less certain.



Something for the weekend, sir: staff dressed as condoms hand packs to AIDS conference visitors

whether recently infected patients, immediately treated for one year on the most powerful triple therapy, will have had the virus completely eliminated.

The test is risky: a patient must volunteer to stop taking the medicines. If even a handful of virus particles have survived in what scientists call "sanctuaries" in the body, the infection will return.

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Baer moved last year to open up the

usual adage.

Many UK banks, however, have retained strong family connections, springing in part from the traditional partnership structure that once dominated finance. Other surviving partnerships include firms such as Lombard Odier in Switzerland, Hoare in the US and Goldman Sachs in the UK.

Families can survive internal feuds. The Rothschilds are proof enough of that. But few families succeed in passing the torch gracefully from generation to generation without, sooner or later, failing foul of inheritance tax.

And fewer still can insure for ever against the chance that the next generation will produce no children with the talent or the inclination to take over the family business - or no children at all.

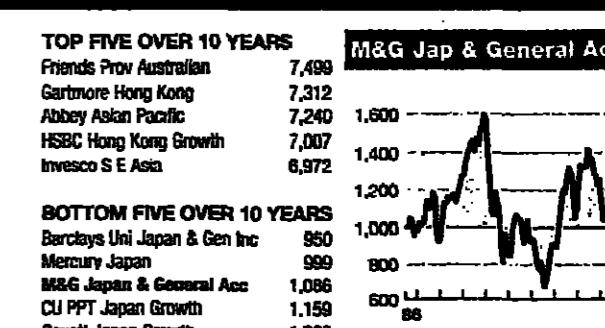
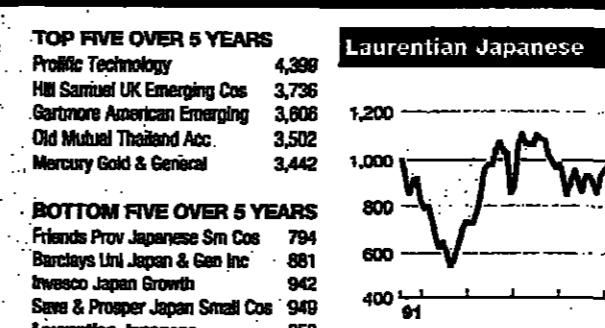
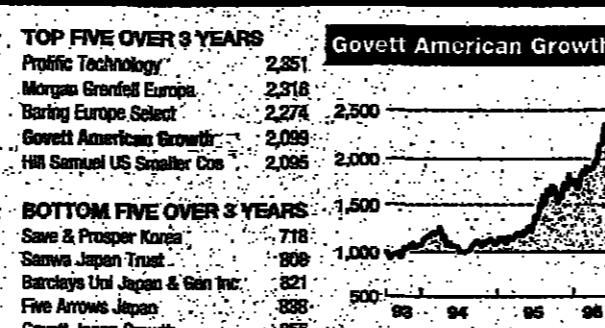
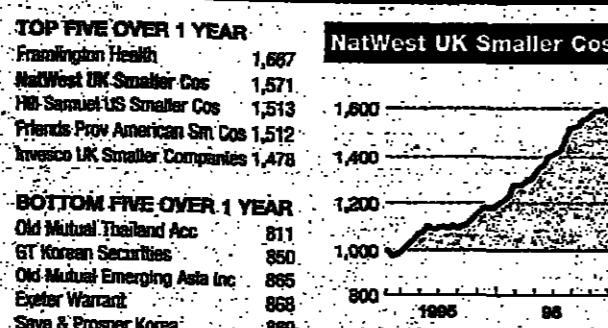
Producing the right heir is all the more difficult in families which, tacitly or overtly, exclude their daughters from management.

Sir Siegmund Warburg, founder of the S.G. Warburg merchant bank, often referred to his brightest young employee as "my son". His own son George, however, left after only a few years with the family business to start operations on his own, and later died, failing to find a financial grief.



## UNIT TRUSTS

## ■ WINNERS AND LOSERS



Source: HSW (01625 511311)

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

**■ Indices**

	1 year	3	5	10	Volatility	Ytd%
Average Unit Trust	1098	1307	1754	2646	3.7	2.7
Average Investment Trust	1108	1385	1899	2207	5.2	5.0
Bskyb	1097	1111	1259	1304	4.3	4.3
Building Society	1098	1122	1281	1933	4.1	4.1
Stockmarket FT All-Share	1150	1489	1857	2271	3.8	3.8
Unisys	1022	1094	1149	1594	0.4	0.4

**■ UK Growth**

	1 year	3	5	10	Volatility	Ytd%
Jupiter UK Growth	1915	1995	2554	-	3.8	1.9
Barclays Uni Leisure	1245	1643	1780	2081	3.8	0.7
Savva UK Growth	1319	1820	-	-	3.7	1.8
Pembroke Growth	1204	1598	2556	-	3.1	1.3
PM Equity Growth	1192	1584	2150	3322	4.0	1.2
SECTOR AVERAGE	1118	1384	1795	2543	3.6	1.9

**■ UK Growth & Income**

	1 year	3	5	10	Volatility	Ytd%
Mercury UK Equity	1133	1510	2028	3949	3.4	2.4
Credit Suisse Growth Port Inc	1127	1507	2008	-	3.5	1.8
Cazenove UK Equity	1147	1500	1879	-	2.6	3.1
Morgan Granfield UK Equity Inc	1088	1485	2084	-	3.3	3.7
Profic UK Blue Chip	1104	1460	1630	-	3.5	3.3
SECTOR AVERAGE	1070	1310	1693	2676	3.5	2.3

**■ UK Smaller Companies**

	1 year	3	5	10	Volatility	Ytd%
Hill Samuel UK Emerging Cos	1326	1923	3736	-	3.6	0.6
INVESTCO UK Smaller Companies	1478	1869	2517	2708	4.4	0.4
Waverley Penny Share	1111	1861	2344	-	4.7	-
AES Smaller Companies	1403	1769	2226	-	3.7	0.7
BWD UK Smaller Cos	1243	1768	2098	-	4.2	0.7
SECTOR AVERAGE	1208	1440	2057	2704	3.6	1.4

**■ UK Equity Income**

	1 year	3	5	10	Volatility	Ytd%
Jupiter Income	1242	1809	2825	-	3.6	4.3
GT Income	1198	1608	2322	3592	3.7	4.2
BWD UK Equity Income	1104	1745	1786	2557	3.7	2.6
Britannia High Yield Inc	1155	1475	2003	-	3.5	3.8
Lazard UK Income	1104	1473	1789	3454	3.4	5.3
SECTOR AVERAGE	1045	1277	1639	2707	3.6	4.8

**■ UK Equity & Bond Income**

	1 year	3	5	10	Volatility	Ytd%
Profic Extra Income	1098	1365	1742	2802	3.0	4.9
CU PFT High Yield	1124	1322	1663	2792	3.5	5.8
Edinburgh High Distribution	1088	1291	1475	2337	3.8	4.3
Cazenove UK Equity & Bond	1053	1287	-	-	3.9	6.5
N&P Higher Income	1054	1270	1871	2905	3.3	4.4
SECTOR AVERAGE	1032	1190	3.0	5.9		

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**■ UK Income Growth**

	1 year	3	5	10	Volatility	Ytd%
Welsh Industrial	1301	2090	2013	23	9.1	4.8
Kleinwort Endowment Policy	1180	1486	-	4	3.3	-
Fleming Enterprise	1080	1438	1829	11	5.4	2.6
Broadgate	1192	1309	-	5	4.3	1.5
Navy & Sime ISIS	1245	1226	-	26	4.6	-
SECTOR AVERAGE	1178	1506	1921	-	5.3	2.3

**■ UK Capital Growth**

	1 year	3	5	10	Volatility	Ytd%
Welsh Industrial	1301	2090	2013	23	9.1	4.8
Kleinwort Endowment Policy	1180	1486	-	4	3.3	-
Fleming Enterprise	1080	1438	1829	11	5.4	2.6
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Navy & Sime ISIS	1245	1226	-	26	4.6	-
SECTOR AVERAGE	1178	1506	1921	-	5.3	2.3

**■ UK Income Growth**

	1 year	3	5	10	Volatility	Ytd%
Morgan Granfield Equity Income	1114	1448	-	0	3.7	3.8
Value and Income	1090	1384	2437	3	5.5	4.2
MS&G Income (Units)	1063	1311	-	7	3.6	5.3
Lowland	977	1303	1870	10	4.8	4.2
Dundee Income Growth	968	1290	1813	13	4.7	5.1
SECTOR AVERAGE	1006	1272	1772	-	4.3	2.3

**■ Venture and Devt Cap**

	1 year	3	5	10	Volatility	Ytd%
Kleinwort Development Fund	1533	2199</td				

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## WORLD STOCK MARKETS

## AMERICA

## US equities move in volatile range

## Wall Street

US shares showed prospects of rebounding early yesterday morning, but by mid-morning most major indices had begun to slide and were lower in early afternoon trading, writes Lisa Brunnen in New York.

The Dow Jones Industrial Average moved quickly through more than 60 points in morning trading as it fell from its session high, up nearly 23 points, to a session low, off 41 points.

At 1pm, the Dow was 25.82 weaker at 5,494.58. The Standard & Poor's 500, which climbed nearly 2 points in morning trade, was off 2.64 at 493.03, by 1pm, and the American Stock Exchange composite lost 1.69 at 547.40. Volume on

the NYSE came to 247m shares.

Mr Laszlo Birinyi, president of Birinyi Associates, the equity research firm, said that equities appeared to be heading back toward the bottom of their trading range, but did not think the market would go much lower than yesterday's levels.

"I think we will look back three or six months from now and see that now was a pretty good time to buy stocks," he said.

Technology shares continued to be among the weakest issues on continued worries about earnings. The Nasdaq composite, like other indices, initially moved higher, but by early afternoon the index was 8.34 lower at 1,086.02 and the Pacific Stock Exchange tech-

nology index had shed 0.3 per cent.

All but one of the four largest capitalisation companies on the Nasdaq were weaker yesterday.

Microsoft lost 52¢ at \$11.19.

Oracle was 5¢ weaker at \$37.7 and Cisco Systems shed 1¢ at \$53.6. Meanwhile, Intel, the second biggest company on the Nasdaq, added 1¢ at \$70.7 on reports that the semiconductor maker would cancel many of the price cuts it had planned for November.

Shares in health maintenance organisations, which were among the hardest hit in Thursday's sell-off, regained some of their lost ground. United Healthcare, the largest HMO in the US, sparked the decline with a warning that earnings would be well below

analysts' expectations and tumbled 13¢ on Thursday.

The company's shares rose 2¢ at \$33. yesterday.

US Healthcare rose 31¢ at \$51.5 and Oxford Health Plans added 3¢ at \$34.4.

## Canada

Toronto turned back after a slightly stronger start as US economic data failed to clarify if the Federal Reserve would raise interest rates. The TSX-300 composite index was 17.50 weaker by noon at 5,037.90 on volume of 41.3m shares.

Among individual stocks, Arequipa Resources eased 35 cents to \$28.25, after jumping \$6.60 on Thursday after news that Barrick Gold planned a C\$27 a share bid for the gold prospector. Barrick fell 35

cents to C\$88.15.

Toronto-Dominion Bank rose 10 cents to C\$24.30.

BCE, Canada's largest publicly traded company, was flat at C\$56.45 after reaching a year's high of C\$56.60 on

Tuesday.

## Latin America

MEXICO CITY extended its losses in mid-session trading and the IPC index stood off 51.48 or 1.7 per cent at 3,004.83.

Analysts described the fall as having been motivated by the decline on Wall Street. In SAO PAULO the Bovespa index was following its own course, and by midday had put on 1,512.32 or 2.3 per cent to 65,585. The market was being supported once again by strength in Telebras.

## Drug groups provide catalyst for Zurich

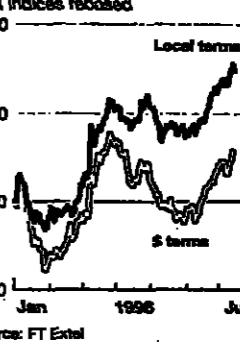
William Hall on the Swiss market's inexorable rise

franc partly reflects the surprising weakness of the Swiss economy. Growth forecasts have been steadily trimmed downwards. A fortnight ago a regular survey of 31 leading Swiss economists predicted a 1996 rate of 0.37 per cent, half last year's level.

However, the weakness of the currency is a bonus for most major Swiss companies which generate the bulk of their sales overseas. Only 2 per cent of Nestle's sales are in Switzerland, for example, and the strength of this week's sales figures from Swiss blue-chips such as Roche, Ciba and Sandoz, show that corporate Switzerland is staring to bene-

## Switzerland

SMI indices released



Source: FT Estat

ft from a weaker franc.

Credit Suisse's equity research team has looked back at previous periods of currency weakness and found that, on average, Swiss share prices rose 12.7 per cent during the period.

The market has been led higher by the pharmaceutical stocks such as Ciba, whose bearer shares are up 50 per cent this year. Nestle, up 16.5 per cent and SMH, the Swiss watch manufacturer, whose registered shares are up by nearly a third.

The strength of the market has caught many international investors by surprise. It had already finished 1995 as one of the world's top performers. The SPI had risen by 23 per cent and, following an effective 17.5 per cent rise in the trade weighted Swiss franc exchange rate, dollar-based investors had seen a rise of over 40 per cent at 71,195.00.

Consequently, several global investment banks advised their clients to close their positions in Switzerland and realise their hefty price and foreign exchange gains.

In terms of the currency, non-Swiss investors made the right decision. The Swiss franc has fallen by nearly 5 per cent on a trade weighted basis since the start of the year. For dollar-based investors, this year's rise in Swiss equities is less than 5 per cent.

The weakness of the Swiss

outlook is not the only reason for the market's strength. Perhaps of more fundamental importance is the sign that Swiss companies are starting to undertake the kind of restructuring which led to a substantial improvement in the profitability of US and UK

sector of the market.

Nevertheless, even he

accepts that the Swiss market is moving into unknown territory. If US interest rates were to go up, it would hurt the Swiss market. The market may be changing but it has not changed sufficiently that its upward progress can continue to what is going on in the rest of the world.

## EUROPE

## US influence pulls continental bourses lower

Wall Street provided an overriding influence on the European bourses. Shares in FRANKFURT were among those to fall, with the Dax finishing at 2,542.26 and the Ibis at 2,548.97, a loss of 12.38. Turnover was 10bn.

Siemens was easier on concern about the earnings outlook for the group's semiconductor business. Siemens publishes nine-month earnings data on Monday and the shares eased 52¢ to DM79.4.

Flemings Research this said it was forecasting a growth in full year earnings for Siemens of between 20 to 25 per cent and was expecting an 18 per cent increase in third quarter earnings. But there was a worry about the semiconductor division, in light of this week's news out of the US, and Flemings said that profits here would undoubtedly fall again.

PARIS weakened steadily through the session. By the close, the CAC-40 index had lost 21.11, or 1.1 per cent, to 2,050.55.

Bouygues, the construction company, was lower after announcing late on Thursday that it planned an internal reorganisation in which its roads division Scres would be sold to Colas for FF1.4bn. Bouygues dipped FF7.7, or 1.3

per cent, to FF1.541 on the news, and Colas was FF45 off at FF1.75. Bouygues has a 59 per cent stake in Colas through its CPT unit.

AMSTERDAM witnessed a session low of 541.76 in the AEX before improving steadily to close off 2.37 at 547.01.

Philips continued to be affected by the malaise of high-tech stocks worldwide, losing NL1.70 to NL52.05. Its associate, Polygram, eased NL2 to NL9.30 yesterday.

KPN, the Dutch telephone company, fell 1.20 to NL1.00 and the shares data on Monday and the shares eased 52¢ to DM79.4.

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PARIS weakened steadily through the session. By the close, the CAC-40 index had lost 21.11, or 1.1 per cent, to 2,050.55.

Bouygues, the construction company, was lower after announcing late on Thursday that it planned an internal reorganisation in which its roads division Scres would be sold to Colas for FF1.4bn. Bouygues dipped FF7.7, or 1.3

per cent, to FF1.541 on the news, and Colas was FF45 off at FF1.75. Bouygues has a 59 per cent stake in Colas through its CPT unit.

AMSTERDAM witnessed a session low of 541.76 in the AEX before improving steadily to close off 2.37 at 547.01.

Philips continued to be affected by the malaise of high-tech stocks worldwide, losing NL1.70 to NL52.05. Its associate, Polygram, eased NL2 to NL9.30 yesterday.

KPN, the Dutch telephone company, fell 1.20 to NL1.00 and the shares data on Monday and the shares eased 52¢ to DM79.4.

Analysts noted profit-taking in the telecommunications sector, traditionally a favourite with foreign investors. Stet lost L73 to L49.90, still unsettled by when it would be privatised.

Kvaerner A and B fell 1.2 per cent and 2.6 per cent respectively to NK1290 and NK1265, even though the group announced a major offshore oil development contract.

Aker, which also won an offshore contract yesterday, saw its share slip 4 per cent to NK121, while Hydro fell 1.8 per cent to NK120.

VIENNA shrank by 2.4 per cent to close at its lowest level in nearly four months. The ATX index lost 25.65 points to 1,666.85. Flughafen, VA Stark and Austria Mikro Systeme all saw a wave of sell orders from institutions.

AMS led the declining issues for the second consecutive session, losing 5.3 per cent, or Sch69, to a new year's low of Sch79.0. This followed a 13 per cent decline on Thursday, and over the year-to-date the stock has dropped by 55 per cent.

Flughafen Wien, operator of the Vienna airport, fell Sch35.1 on

or 4.8 per cent, to Sch69.0 and VA Stark was Sch16.5, or 4.7 per cent, at Sch35.5.

OSLO was 1.2 per cent to fall in leading blue chips like Norsk Hydro, Kvaerner and Aker. The index lost 7.33 to 849.19 in low turnover of NK1277m.

ISTANBUL's failure to break through 78,000 meant that investors sold holdings late in the day. The composite index ended off 1,563.09, or 2.15 per cent, at 71,195.00.

Written and edited by Michael Morgan and John Pitt

lower, ignoring benign domestic inflation data for June and the general index finished 2.75 weaker at 3,633.41. Endesa fell Pta80 to Pta7.50 in heavy trade, with some investors seeing the price as a buying opportunity, in spite of uncertainties over the sector.

WARSAW fell for its fifth

consecutive session but some analysts were forecasting a rise on Monday, if the publication of June inflation figures were satisfactory.

The Wig index lost 1.2 per cent to 12,369.3 as turnover fell 22.6 per cent to 79,411.

The market has been led higher by the pharmaceutical stocks such as Ciba, whose bearer shares are up 50 per cent this year, Nestle, up 16.5 per cent and SMH, the Swiss watch manufacturer, whose registered shares are up by nearly a third.

The strength of the market has caught many international investors by surprise. It had already finished 1995 as one of the world's top performers. The SPI had risen by 23 per cent and, following an effective 17.5 per cent rise in the trade weighted Swiss franc exchange rate, dollar-based investors had seen a rise of over 40 per cent at 71,195.00.

Both indices are showing gains of around 15 per cent so far this year and have already reached the targets many analysts set for the end of the year. Yesterday the SMI closed 24 up at 7,375.8.

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## LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 8 pm on Thursday and settled through the Stock Exchange Taliham system, they are not in order of execution but in descending order which denotes the day's highest and lowest dealing.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given but in descending order which denotes the day's highest and lowest dealing.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

† Bargains at special prices. ♦ Bargains done the previous day.

## British Funds, etc

Tresor 11 1/2% Crt 3000000 - £125.12 (22/7)

Guaranteed Export Finance Corp PLC 12% Crt Ln Stk 2003 (Reg - £123.73 (5/96)

## Corporation and County

Birmingham District Council 11 1/2% Red Stk 2012 - £121.42 (5/96)

Greater London Council 12% Red Stk 2022 - £135.12 (5/96)

## UK Public Boards

Metropolitan Water Metropolitan Water 5% A Stk 63/03 - £174.4 (5/96)

Port of London Authority 5% Port of London A 5% 2/98 - £32.52 (5/96)

## Foreign Stocks, Bonds, etc (coupons payable in London)

AMP UK PLC 13% Bts 2015 (Reg - £50000000 - £125.12 (22/7)

Albert National Sterling Capital PLC 5% Crt Ln Stk 2003 (Reg - £121.12 (10/96)

Albert National Treasury Corp PLC 5% Crt Ln Stk 2001 - £121.12 (10/96)

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## LONDON STOCK EXCHANGE

## MARKET REPORT

By Steve Thompson,  
UK Stock Market Editor

All eyes in London were fixed on Wall Street yesterday afternoon as dealers pondered the chances of yet another sell-off in US shares to follow Thursday's 83-point decline.

But with the Dow Jones Industrial Average coming in only marginally easier at the start of trading, after some reassuring economic news London stocks stabilised after a noisy morning and ended the day showing relatively small losses.

The FT-SE 100 closed 20.7 off at 3,223.3, while the second line issues were equally pressured, leaving the FT-SE Mid 250 down 27.3 at 4,316.5.

Gilt gave ground from the outset, with the 10-year issue setting 8 ticks lower at the close and the 20-year issue down 9 ticks, slightly unsettled by the Confederation of British Industry's June survey which said retail sales were at the strongest since 1990.

Wall Street's 100-point-plus slide in mid-session on Thursday was caused by a profits warning issued by Hewlett Packard, the computer group, and ignited fears that Wall Street's bull run had finally ended.

That warning came hand on the heels of dismal second quarter figures from Motorola, another of Wall Street's technology stocks.

But London has held up remark-

ably well in the face of Wall Street's turbulence. Footsie's fall on the week was restricted to only 15.9, although the second line stocks fared much worse, with the Mid 250 down 50.7 over the same period.

Marksmakers lowered their prices at the start of the day to accommodate Wall Street's overnight performance but were surprised at the emergence of cheap buyers for many of the leaders. The early burst of "cheap buying" saw Footsie recover to show a fall of over 3 points within 30 minutes of the opening.

Thereafter the market drifted, with dealing contracting to minimal levels, before embarking on a won-

ning slide in mid-morning, ahead of US retail sales and producer price data for June. At its worst the index was 33.7 weaker.

The economic news, which showed retail sales down 0.2 per cent and producer prices up 0.2 per cent, was well received by the markets, with US Treasury bonds edging ahead.

Footsie thereafter began to pick up, and was not unduly perturbed by the marginal weakness on Wall Street at the start of trading in the US.

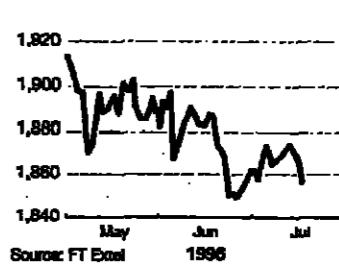
Dealers said the UK market was putting up a good performance in the face of the uncertainty surrounding Wall Street. "If Wall

Street closes around 20 points off or better I think we'll be OK for Monday," said one senior dealer.

Mr Tim Brown, UK equity market strategist at UBS, said he felt London had coped very well with Wall Street's volatile moves: "The correlation between London and Wall Street is getting steadily less," he said. "London remains in the 1,550-1,550 trading range on the Footsie."

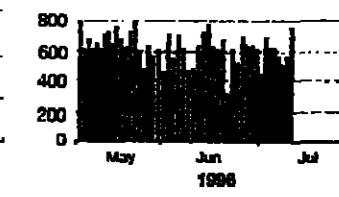
Turnover in equities at 8pm totalled 642.7m shares, with activity between marketmakers, as opposed to genuine customer business, reported to have accounted for the lion's share of the overall figure. Retail business on Thursday was worth £1.7m.

## FT-SE-A All-Share Index



## Equity shares traded

Turnover by volume (million). Excluding intra-market business and overseas turnover



FT-SE 100 Index  
Closing index for Jul 12 ..... 3728.3  
Change over week ..... -14.8  
Jul 11 ..... 3765.8  
Jul 10 ..... 3765.8  
Jul 9 ..... 3752.3  
Jul 8 ..... 3741.5  
Jul 7 ..... 3732.0  
Low ..... 3773.2  
High ..... 3773.2  
10 yr Gilt yield ..... 7.85  
7.89  
Low ..... 3715.8  
High ..... 3715.8  
10 yr Gilt/equity yld ratio: 2.14  
2.16  
"Intra-day high and low for week"

## UK stocks weaker but close above session lows

By Steve Thompson,  
UK Stock Market Editor

All eyes in London were fixed on Wall Street yesterday afternoon as dealers pondered the chances of yet another sell-off in US shares to follow Thursday's 83-point decline.

But with the Dow Jones Industrial Average coming in only marginally easier at the start of trading, after some reassuring economic news London stocks stabilised after a noisy morning and ended the day showing relatively small losses.

The FT-SE 100 closed 20.7 off at 3,223.3, while the second line issues were equally pressured, leaving the FT-SE Mid 250 down 27.3 at 4,316.5.

## TRADING VOLUME IN MAJOR STOCKS

	Vol. 000s	Closing Day's price change	Vol. 000s	Closing Day's price change
FT-SE 100	555	-4.8	1,785	-14
FT-SE Mid 250	1,700	-1.1	1,800	-1.1
FT-SE All-Share	528	-4.1	2,200	-1.1
FT-SE 350	1,700	-1.1	2,347	-1.1
FT-SE 350 Higher Yield	576	-2.8	1,712	-1.1
FT-SE 350 Lower Yield	1,700	-1.1	1,700	-1.1
FT-SE 350 Retail	778	-1.3	1,700	-1.1
FT-SE 350 Services	4,400	-1.1	1,700	-1.1
FT-SE 350 Utilities	1,700	-1.1	1,700	-1.1
FT-SE 350 Financials	1,700	-1.1	1,700	-1.1
FT-SE 350 Ind.	1,700	-1.1	1,700	-1.1
FT-SE 350 Tech.	1,700	-1.1	1,700	-1.1
FT-SE 350 Consumer	1,700	-1.1	1,700	-1.1
FT-SE 350 Ind.	1,700	-1.1	1,700	-1.1
FT-SE 350 Services	1,700	-1.1	1,700	-1.1
FT-SE 350 Financials	1,700	-1.1	1,700	-1.1
FT-SE 350 Consumer	1,700	-1.1	1,700	-1.1
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FT-SE 350 Consumer	1,700	-1.1	1,700	-1.1
FT-SE 350 Ind.	1,700	-1.1	1,700	-1.1
FT-SE 350 Services	1,700	-1.1	1,700	-1.1
FT-SE 350 Financials	1,700	-1.1	1,700	-1.1
FT-SE 350 Consumer	1,700	-1.1	1,700	-1.1
FT-SE 350 Ind.	1,700	-1.1	1,700	-1.1
FT-SE 350 Services	1,700	-1.1	1,700	-1.1
FT-SE 350 Financials	1,700	-1.1	1,700	-1.1
FT-SE 350 Consumer	1,700	-1.1	1,700	-1.1
FT-SE 350 Ind.	1,700	-1.1	1,700	-1.1
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FT-SE 350 Ind.	1,700	-1.1	1,700	-1.1
FT-SE 350 Services	1,700	-1.1	1,700	-1.1
FT-SE 350 Financials	1,700	-1.1	1,700	-1.1
FT-SE 350 Consumer	1,700	-1.1	1,700	-1.1
FT-SE 350 Ind.	1,700	-1.1	1,700	-1.1
FT-SE 350 Services	1,700	-1.1	1,700	-1.1
FT-SE 350 Financials	1,700	-1.1	1,700	-1.1
FT-SE 350 Consumer	1,700	-1.1	1,700	







# Weekend FT



## The gigantic Olympics

Peter Aspden looks at Atlanta and the sprawling madness that has become the modern Games

**S**ome figures relating to the Olympic Games get bigger and bigger; others remain obstinately, agonisingly small. But they all count. A large one first: the highest number of countries, 197, will participate in Atlanta, starting next week, in marking a true globalisation of this grandest of world festivals. Now, more than ever before, we can safely talk of the largest sporting event of all time.

It is all very well, but scant consolation to Helen Jepson, British 300-metres butterfly swimmer, who missed Olympic qualification by a fingertip, or as the sophisticated electronic timing revealed, six-hundredths of a second - a very small figure indeed.

The two numbers are related. To make way for the athletes from the 28 new countries added to this year's Games, stricter qualifying standards have had to be set for all sports. Jepson's heartbreak is another athlete's realisation. We all know it is the taking part, not the winning,

that matters; but some do not even get that far.

Jepson should blame that perennial party-pooper in Olympic history: geo-political instability. The chief reason for the swelling numbers in Atlanta is the break-up of the former Soviet Union, and the creation of nation-states. It has caused an unprecedented scramble for the right to compete in the Centennial Games.

So those who have made it to Atlanta will find a big Games; a giant Games: 11,000 athletes, 5,500 officials, 17,000 journalists. Other figures sound even more loopy. We are told solemnly that International Business Machines, one of the Games' top 10 world sponsors, "will generate 3 trillion bytes of data during the Games - the equivalent of a stream of paper stretching from here to the moon".

There is a lunar scale to most commercial ambitions in Atlanta. The 10 "TOP" (The Olympic Programme) sponsors - Bausch & Lomb, Coca-Cola, IBM, John Hancock, Kodak, Matsushita/Panasonic, Sports

Illustrated/Time, UPS, Visa and Xerox - have paid upwards of \$40m each to be associated with the Atlanta Games.

Television rights for the Games have been sold worldwide for more than \$500m - an increase of 50 per cent from the sum paid for the Barcelona Games in 1992.

Television was not always so willing a partner. In the 1986 Winter Games at Cortina d'Ampezzo, the first to feature live coverage, the Olympic torch carrier tripped over the television cables, extinguishing the sacred flame. A spectator re-lit it with a cigarette lighter; the television cameras and the Olympic authorities have remained switched on to each other's charms ever since.

A "souvenir" licensing programme for Atlanta hopes to raise close to \$1bn from merchandising sales alone. And then, finally, there are the tickets - 11m of them, to watch two weeks of sport which includes two new events, softball and beach volleyball.

Has it all gone too far? Is

there a price to be paid for the gigantism of the Games? To some extent, the Olympics have had to expand to their present size, if only to compete with the mass appeal of other sporting events. There has never been such competition

ment. It is taken for granted that we know what is meant. It is what all those sponsors pay for: an image, an abstraction. But when the ideal is besmirched with dollar signs, the family forever bickering, the movement increasingly wandering into unfamiliar territory, has the magic word lost its power to inspire?

Richard Palmer, general secretary of the British Olympic Association, would disagree. He has been *chef de mission* of the British Olympic team since the Moscow Games of 1980, and will retire after Atlanta. His position is that we get the Games we deserve.

"If there is an issue around, it will impact on the Olympic Games," he says.

But then rattles off a history

of each Games and its attendant dark side: the cold war boycott of Moscow in 1980; the tit-for-tat boycott in Los Angeles in 1984; the drugs scandal in Seoul in 1988; the experience in Barcelona of dealing with athletes' agents for the first time, which, from the way he describes it, sounds

like the most onerous of all.

But to the spectator, each of these Games offers very different memories: Nadia Comaneci in 1976; Coe v Ovett in 1980; Carl Lewis in 1984; Flo-Jo in 1988; the basketball "Dream Team" in 1992. It is the intermingling of memories, in which sport's extremes are touched by the messy business of "real life", which renders them so vivid.

Asked which he has enjoyed the most, Palmer says that they all had their charms. He loved the atmosphere last time round at Barcelona, but he clearly resents having spent six whole days resolving drug-related issues.

He says it is impossible to predict the issue which will dominate Atlanta, but he seems sure that there will be one. It will be surprising if drugs do not figure some-

where. The International Olympic Committee says that its new high-resolution mass spectrometer is the most effective drug-detector yet invented; but it has had to be. Drug-taking, and masking procedures, have become sophisticated in recent years.

These were not the issues which worried Baron Pierre de Coubertin, founder of the modern Games in 1896, although he would not have been as fazed by today's excesses as one might think.

In spite of his portrayal as an ingenuous romantic, with a passion for amateurism, brotherhood and what we today call "fair play", his vision was pragmatic and hard-headed. A pedagogist by inclination, he stressed the link between sport

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Joe Rogaly

## Timelords of poverty

More than charity will be needed on the death of the welfare state

When the Germans start nibbling at the edges of their social budget you have to ask yourself - is the modern welfare state, founded by Bismarck, for the chop? Probably.

We can cut through the abstruse arguments about this conundrum, and concentrate on the decider. The economics of European Monetary Union are beside the point. The timetable for the single currency has nothing to do with the case. The affordability of better pensions or larger unemployment benefits is an irrelevance. As to the obligations of the rich, don't make me laugh.

The central question concerns the future of state-financed welfare. It is dire. Taxpayers will not pay for it. They tell poll-takers they will, but they lie. They vote for parties that promise, often falsely, to reduce or not increase taxation. There can be only one conclusion. The welfare state as developed during the present century may be with us for a while yet, but not forever.

It might implode rather suddenly, like communism. At best, it will contract slowly, possibly over decades. Whatever the pace, the years of unchallenged expansion are over. This is becoming evident in France, Italy and even the profligate Netherlands as well.

We cannot travel back, yet we have no idea of what going forwards will mean

The Internal Revenue service, true Christians should embrace the poor, smell them, take them into their homes.

Yet if this is to be the pattern, can the unfortunate rely on personal generosity, the Church and voluntary organisations to pick up where the state leaves off? No. In Britain the Christian churches are feeble, the voluntary sector too muddled, the spirit of philanthropy erratic. Something could be done, perhaps by people like John Bird, who started a British magazine, *The Big Issue*. Homeless vendors sell it on the streets.

Father Sirico wants to see more "poverty entrepreneurs". He cites William Booth, founder of the Salvation Army. We need such individuals he argues.

We need more than that. We have to clear our heads. In Britain this week the independent "Commission on the Future of the Voluntary Sector" published a report that revealed the ramshackle nature of the laws governing private charitable institutions.

A forthcoming Institute of Economic Affairs pamphlet by Robert Whelan intimates that the "contract culture", the mechanism whereby charities receive money from government in return for undertaking set tasks, is contrary to the moral purpose of their Victorian founders.

The timelords apart, thinking about what could replace centralised state welfare is sketchy. The enormity of what

lies ahead, the winding-down of the huge 20th century social security apparatus, is only slowly sinking in. We are not even sure of who counts as needing our help.

The Victorians knew about orphans, the physically and mentally disabled and the unemployed. They had societies to assist just about every other category. Today that will be different. The very old are with us in far greater numbers. The 21st century will contain people living without roots in cities, cut off from family life, depressed, simply not up to coping. Are these to be the deserving or the undeserving in the eyes of the Church, the voluntary sector, the rump state?

In the 19th century the extended family might help, or the local church, or the parish council. None of them is equipped to replace the services offered by the welfare state. The religious impulse behind Victorian philanthropy is not as strong as it was. City or district councils are as subject to central government as the unwillingness of residents to pay taxes.

In short, we cannot travel backwards in time. Yet we do not have the faintest idea of what going forwards will mean. It is easy to foresee the death of welfare. Living with the consequences is the hard part.

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## PERSPECTIVES

Why should a piece of glass tough enough to withstand a blow from a hammer shatter when it is held between finger and thumb? It has taken more than 330 years to produce the complete answer to this question, which King Charles II of England put to his scientific society (now the Royal Society) in 1661.

The king was referring to Prince Rupert's drops, tadpole-shaped pieces of glass produced by dropping molten glass into cold water. The spherical head resists huge forces - it is strong enough to support a car (or a wagon in King Charles's day) and can be hammered on an anvil - but snapping the long tapering tail between finger and thumb causes the whole drop to explode into tiny fragments.

In 1665 Robert Hooke, the pioneer of microscopy, published pictures of drops that had been encased in transparent glue before breaking, to reveal the thousands

## Why diamonds top a hard league

Andrew Derrington considers what it takes to be really tough

of tiny cracks that criss-cross its surface.

He concluded that the drop shatters because it is in a state of tension. Now, 300 years later, high-speed photographs have shown how a drop rips itself apart as cracks shoot through its core at speeds up to 1,300 metres a second, six times the speed of sound in air.

The cracks are driven by huge

tensions set up in the core of the drop when it is formed. The outer surface solidifies rapidly when the drop hits the water. But glass is a poor conductor of heat, so the core cools much more slowly.

As its temperature falls, the core tries to contract but it is held in

place by the solid outer surface. The huge tensions generated are resisted by the rigid outer surface, where they are balanced by compression forces. Once the outer core is breached - which can most easily be done by snapping the tail of the drop where it is very thin - the balance is broken. The tensile forces are unleashed and they tear the drop apart.

The compressive forces in the surface of Prince Rupert's drops are responsible for its paradoxical strength. According to Jim Williamson, of Imperial College London, the fragility of normal glass is caused by the fact that its surface is riddled with microscopic cracks.

Consequently any force applied to the glass is concentrated on the material in between the cracks.

"The theoretical strength of glass is very high indeed," he says. Glass manufactured so that its outer surface is compressed to prevent cracks from growing will be very strong.

Prince Rupert's drops have this

property, but they are not much

practical use. Fortunately the same

process that makes them strong -

rapid cooling of the surface so that it solidifies before the centre - can be used on sheets of glass to make it tough enough for car windows. There, too, the internal stresses in the glass ensure that when it

breaks it shatters into tiny fragments. Chemical toughening, where the surface layers are expanded by replacing the sodium atoms in the glass with bulkier potassium, is much more expensive, but produces a much tougher finish. This is how the windscreen of Concord is produced, Williamson says.

But even the toughest glass falls

a long way short of diamond,

which was used to make a tiny

window on the Pioneer space probe to Venus.

Diamond in turn, although it is

the hardest substance known, has

limitations. It burns at about 700°C

in air - and so it cannot be used to

drill through steel. And it just

might be possible to come up with

something even harder.

Diamond owes its toughness to

its atomic structure. The carbon atoms in it are bound together with bonds, known as covalent bonds, that are very short and very strong. In a covalent bond the atoms are bound together by sharing electrons, like holding hands.

Bonds like those in a salt crystal, made by swapping electrons

between atoms so that the atoms are held together by the attraction of opposite charges, are much

weaker.

About 10 years ago Marvin

Cohen and Amy Liu, of the Universi-

ty of California at Berkeley, worked out how to calculate the hardness of a substance from the nature and arrangement of the bonds between the atoms in a crystal. They calculated that a compound of carbon and nitrogen, beta carbon nitride, would be even harder than diamond, if anybody could make it into crystals.

Since then the hardness calculations have been checked by measuring a closely related compound, beta silicon nitride, but the carbon nitride has so far eluded attempts to make it, although many hi-tech approaches have been tried.

Summarising the recent history of attempts to synthesise this compound, Robert Cahn of Cambridge University said: "The prospects for making carbon nitride in quantity are not glowing at all."

It looks as if diamond is going to stay top of the hardness league for some time to come.

The author is professor of psychology at the University of Nottingham.

## Minding Your Own Business Babar the elephant expands his horizons

Grania Langdon-Down meets Philippa Ladbury who has found a niche in the UK children's market

Philippa Ladbury chose Bastille Day - one of the most significant dates in the French calendar - to mount her assault on the UK's book and gift market.

On July 14 last year, she launched a catalogue aimed at increasing the popularity of some of France's most treasured cultural icons in Britain.

Babar the elephant, who is about to celebrate his 60th anniversary, Asterix, the cartoon warrior, Madeline the schoolgirl, Antoine de Saint-Exupéry's *The Little Prince* and Bécassine, the little Breton maid, have retained their strong French identities. Yet they clearly appeal to a Francophile niche in the UK children's market.

While Babar and Asterix are available in the UK, the range of goods featuring the characters is limited. And Ladbury, 33, former management consultant, felt this was a niche she could expand into a business opportunity.

She has lived in Paris with her son Frederick, now seven, for the last four years. Ladbury took her MBA at the Insead business school in Fontainebleau and found that she loved France. After the course finished in 1992, she jumped at the chance of working for Walt Disney's character licensing operation at its European head-quarters in Paris.

Ladbury was fascinated by the psychology of character merchandising for children - how long characters remain popular, how the products are viewed by the consumer.

At home, she introduced her son to Babar and Asterix and when friends from the UK came to visit, the demand for such characters became obvious. "While you can get some toys and books of Babar and Asterix, they are not always easy to find. Friends who had visited were always saying, 'When you come back to the

UK, can you bring this book or that toy because we cannot get them in England'."

"So I started thinking about the possibilities of using my experience working in American character licensing on an Anglo-French venture."

The copyright of the characters is usually held by the authors or their families. Manufacturers buy a licence from them enabling them to produce goods featuring the characters, for which a royalty is paid.

Ladbury said: "Babar and

"We have a customer base of about 4,500. But we have a growing number of international customers'



Philippa Ladbury with her son Freddie: 'Babar and the others are very important French symbols'

the others are very important French symbols. The people who manage the licences set very stringent standards and without their support, and I tested out their reactions. There has also been a big growth in French clubs being run in the UK and I looked at the sort of material they wanted and what they could find already. I then did a lot of product research and screened out items I thought were unsuitable."

The first step was to register her company, Tous Mes Amis, in the UK in April 1995. Three months later, she launched her first catalogue on July 14 with each of the 10,000 copies costing £1 to produce, plus the time spent preparing it.

Ladbury explained: "I decided that if I charged £2 for the catalogue with the money refunded if an order was placed, I could convert browsers into customers. We

haven't done any mail shots or number is costly. We cannot buy the goods to match our orders because we have so many suppliers and because we cannot risk being caught out by unexpected delivery delays. We have to be able to supply our customers promptly and reliably from our own stock and that ties up about £25,000 capital at any time."

Ladbury gathers the goods in a warehouse in Calais and then sends them to a friend's home in Farnham, Surrey. Her sister and two part-time helpers administer the orders, pack and dispatch the goods. Setting up Tous Mes Amis required about £50,000 working capital, mostly financed through a bank loan.

In its first six months, turnover was well into five figures and Ladbury is confident that it will be "comfortably into six

figures" this year. Depending on how the business develops, she is considering taking out a licence herself to produce some items, such as clothing, to cut costs and ensure better supply lines. For now, Ladbury makes sure her own expenses are covered - including many trips on the Eurostar - but has yet to take a salary.

"The plus side of running your own business is the excitement of developing an idea you believe in. Sitting in a big corporation or a consultancy producing exciting reports is 100 miles away from managing the cash flow to pay the suppliers and checking you have got the margin right to pay for salaries, growth, company tax. I really enjoy the challenge," she said.

"Tous Mes Amis, PO Box 154, Farnham, Surrey GU9 8TD. Tel: 01322 733188. Fax: 01322 733533."

pliers for the 420 items on offer. Having such a large number is costly. We cannot buy the goods to match our orders because we have so many suppliers and because we cannot risk being caught out by unexpected delivery delays. We have to be able to supply our customers promptly and reliably from our own stock and that ties up about £25,000 capital at any time."

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But women like Akhtar

are determined to beat the odds.

She says: "I don't know why mullahs discourage women, maybe it's... because Pakistani women have more talent." In spite of that confidence, she is prepared to wear long trousers and a sports shirt during the Atlanta Games.

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## PERSPECTIVES

**F**inishing a book, if you are lucky, usually means a brief flurry of publicity around publication and then getting on with the next one. My experience in writing a book called *Did Marco Polo go to China?* has been quite different, both before publication and after.

Before I wrote the book, I knew that Marco Polo was a household name in Europe but I was unaware that millions of people all over the world felt passionately about him and would be buying for blood.

Neither had I any idea of the power of the press. Some weeks before publication date and without warning, The Times published an article (and a leader) about my contention that Marco Polo did not go to China. The response was immediate: starting with BBC Radio 4's *Today* programme which rang the British Library at 4am in the vain hope of catching me at my desk; for the rest of the day the switchboard was jammed with calls from Italian newspapers, Brazilian television and Canadian radio among hundreds of others.

My intention had been simply to try to separate the man and such facts as can be established after 700 years, from the myth. I realised that Italians might feel a bit strongly although since, like Marco Polo's ancestors, I had only travelled to Venice by boat I did not know that Venice's airport is named after him. The dozen Italian journalists who interviewed me mostly did so by phone and, invisible body language aside, they all seemed very polite, non-nationalistic and full of praise of British historiographical objectivity but I realise now that none of them sent their articles to me.

At an academic debate on Polo organised by the Italian department of University College London, I met Aldo Tucci of Venice University, a renowned specialist in medieval trade. His first words were: "You will be killed." As early as February 1995, the Chinese newspaper *Zhongguo dushuban/China Readers' Weekly* suggested darkly that I was very unlikely to be allowed to visit Italy even again.

Reviews of the book have demonstrated various aspects of international relations. The Brazilians were wildly enthusiastic partly because if Polo goes down, he takes Christopher Columbus (who thought Cuba was Polo's Japan) with him, leaving the field to Portuguese explorers and Herodotus' description of China (1585) the fullest early eye-witness account.

American journalists have, thus far, been amused and fairly amusing but more serious consideration may occur when the American edition is published later this summer. In England, I failed to convince William Dalrymple in the *Independent* but as he had already written a very engaging book about following Marco Polo's footsteps, I was not likely to.

He said: "...the conclusions of Dr Wood's book appear highly suspect and raise far more questions than they answer," which gave me great pleasure as that had been my intention: to raise questions and suggest avenues of exploration rather than offer the last word.

Noel Malcolm in *The Sunday Telegraph* was more stern, denouncing "a series of negative arguments appealing to non-existent evidence" and Timothy Barritt in the *London Review of Books*, though more forgiving, was equally unconvinced.

I realised, too late, that I probably spent too long discussing the things that Marco Polo missed out from his description of China: the Great Wall, the script, bound feet, tea-drinking and (one that I, too, missed) the use of chopsticks. I included the Great Wall as an omission,



## Marco Polo – a man or merely a manuscript?

**F**rances Wood, head of the Chinese section of the British Library, touched off a big controversy when she wrote a book saying that Marco Polo, the world's most famous globetrotter, had never gone to China. Here she describes what it is like to be in the eye of the storm – and stands by her story

sion, not because it particularly helps the negative case but because of scholarly work by Arthur Waldron (who concluded that the Great Wall did not exist at the time).

Omissions, however, can be very personal. I am currently revising the *Blue Guide to China* that I wrote some years ago and I know that it is my view of the place despite my efforts to be fair and include things that I do not like or find interesting or, in the case of the increasing number of "theme parks", even wish to contemplate.

Obviously, if Marco Polo was in China, whether or not he noticed things and, more crucially, wrote about them in his *Description of the World*, was a personal matter.

One "omission" that continues to intrigue me, however, is that of bound feet. They are not mentioned in any of the early Polo texts although Ramusio's printed version (1569) includes a reference to tiny footsteps and a curious swaying gait, which could be ascribed to toothaching.

Marco Polo's many champions assert that he spent all his time with Mongols (who did not bind

their women's feet) and thus could not have seen them, and the same argument is used about tea-drinking which was not common among Mongols at the time. If Polo was, as he declared, sent on fact-finding missions by the Khan, to brief him on the customs in his newly conquered domains, he was wasting the Mongol Khan's time by consorting only with Mongols.

Others suggest that he was not interested in feet but they have been objects of horrified interest to all other Europeans since 1320. A more convincing doubt is that perhaps not very many women had bound feet at the time for the fashion was in its infancy, and that Chinese women thus crippled were kept within the walls of the home and not to be seen on the streets.

The serious enclosure of women

was slightly later and though we have no statistics on the numbers of bound feet in the late 13th century, one of the most interesting counters to this argument is that bound feet are described by Odoric of Pordenone, who travelled in China in the 1320s and dictated his memoirs in 1330. Odoric was a travelling friar with none of the apparent status and social éminence of Marco Polo.

Comparisons with Odoric continue to interest me. But such are the complexities of text, myth and history that I have begun to have doubts about Odoric as well as Marco Polo. The text is almost overwhelming, plugging the Polo gaps.

Another participant in the *Tudor* debate, David Trotter of the University of Wales, a medieval linguist

who has edited Odoric, confessed to

pointed out the similarities between rhetorical forms found in the *Description of the World* and Rustichello's romances.

More recently, John Critchley subjected various versions and editions of the *Description of the World* to computer analysis and found not two "voices" but several, suggesting a team of collaborators.

Barbara Wehr of the University of Mainz, a romance philologist like Trotter (and the third professor in the Tudor debate) goes so far as to suggest, on the basis of linguistic and literary style, that Rustichello may have "invented" Marco Polo. The use of Marco Polo as a dramatic device is a fascinating concept which works both for and against Polo.

In the prologue to the *Description of the World*, Polo states that he dictated his story to a fellow-prisoner of the Genoese, Rustichello of Pisa, a well-known romance-writer who had written several Arthurian tales for Edward I of England. While Rustichello's capture is reasonably documented, one can decide quite why and when Marco Polo was imprisoned.

The apparent collaboration between Polo and Rustichello has been studied by Benedetto, who

pointed out the similarities between rhetorical forms found in the *Description of the World* and Rustichello's romances.

It is clear that Marco Polo had considerable posthumous editorial assistance. Popular versions such as that of Ronald Latham, first published by Penguin in 1958 and still in print, have formed the myth of Marco Polo and his book.

The fact that the Penguin text is a compilation, including sentences, paragraphs and passages taken from up to 47 different manuscripts and printed editions of the *Description of the World*, all of which post-date Marco Polo's death, some by as much as 200 years, is still not taken on board by the Polo enthusiast.

Like Marco Polo's fans, I find myself continuing the argument. I still receive letters about it, the most recent an absolutely fascinating and erudite bundle of pages discussing the vegetable lamb of Tartary, water sheep and Gibotom barometz, all of which form one of the many footnotes to inquire into Marco Polo which still give me much pleasure, even if I cannot convince the rest of the world about the unreliability of both the man and the text.

eaten fish and gave us the pudding menu.

"They have this caramelised banana with ice cream and pastry. It's the most outrageous thing in the world – it's so naughty. I followed her advice and ordered it; she ordered a packet of cigarettes.

"I don't like feeling too full," she inhaled deeply and watched as I spooned the sticky pudding into my mouth. "It's just so naughty," she groaned.

She told me that alcohol was very fattening, which I knew already. "I'm very much in the soft drink brigade, unless I'm going to drink. It's all or nothing. I think losing control is all really fun so long as you are not meant to anyone, and you call the next day and say sorry." She giggled again.

I asked what she thought of the pressures of the modelling world to be razor thin. "I love fashion and I like doing modelling, but I'm not a supermodel. The fashion industry is the most horrendous bitchy world. The key players are so, like, up their own bottoms."

At this point a woman in her 50s dressed like a woman in her teens came up for an air kiss and a brief gossip. "We had this party the other day in Monaco," said Beckwith when the woman disappeared. "Elizabeth Taylor was the guest of honour, you know what I mean, it was the South of France set. I rocked up in this little leopard skin outfit, and she was in the same thing – only she's got the dress version and I'm in the hipsters and weeny little top. She thought it was hysterical so we had to have lots of photos together with Iwana."

On that note, I paid the \$55 bill and got up to leave. As we descended the stairs I noticed that we seemed to be turning heads. Were they looking at the number of buttons undone on her shirt? Or, for the first time in her life, had Tamara Beckwith been upstaged by a surgical team?

## Lunch with the FT It's a full-time job being oh so naughty

**L**ucy Kellaway meets fluffy bunny, Tamara Beckwith

**A**round her neck she wore a silver chain with the word "BABY" dangling from it. Around mine I wore a cream foam surgical collar. She was cool in the summer heat, her pale blue satin blouse open almost to the waist. I was sweating.

Tamara Beckwith is a fluffy bunny, an heiress, a socialite. The daughter of property tycoon Peter Beckwith, she is famous for being famous, endlessly featured in the tabloids and in *Hell's* magazine. Her *curriculum vitae* (sent to me before the meeting) was titled "Girl Beckwith" and was a boasting recital of misdeeds – expelled from Cheltenham Ladies College, had a baby when she was 16, staged a riot at the Berkeley Dress Show Ball, was arrested for possession of cocaine, and has dated all sorts of Hollywood types, including Sylvester Stallone.

She had chosen to eat at The Col-lection, not just because it is the latest spot in London for ladies to lunch, but because it is owned by Mogens Tholstrup, the boyfriend of her friend Tara Palmer-Tomkinson.

The entrance to the restaurant is invisible to those not fashionable enough to know what they are looking for and I walked up and down the Brompton Road in increasing distress before finding it. Inside it was the usual 1990s affair: wood, brick and suede, with waitresses and guests strutting as if hoping to be discovered by a modelling agency.

I was led upstairs, placed at a small table and then ignored. A long time passed. I watched the diners pour in and kept thinking I had spotted my guest as a procession of tall, thin, blonde women mounted the stairs.

After about half an hour an even taller, even thinner blonde came in, wearing tight white hipsters. This surely was Tamara. With her was a young man also wearing a necklace. This turned out to be Ghislain who

older than Tamara and a former drug pusher. "Michael thought the TV here was so dull. He was like: there's such a market for something a bit light-hearted with a bit of substance. Do you know what I mean?"

No, I said. I did not know what she meant. There is already far too much of that sort of thing on the web.

She went on: "The food is quite good picky food. I tend to have just starters. The crab wontons are quite yummy. The crispy prawns and seaweed are delicious." I said I would have seared tuna sashimi with soy dressing and moul, followed by roast cod.

"I'm going to be grown up and have a main course today," she announced, and ordered a smoked salmon caviar, and tuna steak in a crust of sesame seeds.

Ghislain got up and she kissed him goodbye. "He's such a sweetie," she said to me. "He's been looking after me since February. My father was sick and tired of having no control over this thing. So Ghislain is giving it some direction." Over what? I wondered. Did she mean herself?

"Me and my boyfriend, Michael Stone, are doing a TV chat show," she announced, getting down quickly to the purpose of the lunch. Apparently, the idea came from Michael, who is best known in Britain for being the brother of film star Sharon Stone. He is 20 years

older than Tamara and a former drug pusher. "Michael thought the TV here was so dull. He was like: there's such a market for something a bit light-hearted with a bit of substance. Do you know what I mean?"

No, I said. I did not know what she meant. There is already far too much of that sort of thing on the web.

What are you doing next week, I asked, hoping for some facts. "Tonight I've got a dinner with people from LA at Coast. Tomorrow another interview. Then it's Ghislain's birthday. I'll go shopping for a present this afternoon. Saturday I'm flying to Dublin – I'm doing a TV show there. I'm modelling next week. Pretty much the rest of it falls into place," she said mysteriously.

She was a little hazy when asked which channel her show could be seen on, but referred to deals in Australia, the US and Asia. "It has been quite a learning experience. I had to go to meetings. It's definitely not something I'd want to do again,



Tamara Beckwith famous for doing nothing

"If a friend is giving it I try to be supportive, but, like, how many drinks parties can you go to? I have to get up at 8am when I'm taking my little one to school. That's early if you are rocking up to 3."

What are you doing next week, I asked, hoping for some facts. "Tonight I've got a dinner with people from LA at Coast. Tomorrow another interview. Then it's Ghislain's birthday. I'll go shopping for a present this afternoon. Saturday I'm flying to Dublin – I'm doing a TV show there. I'm modelling next week. Pretty much the rest of it falls into place," she said mysteriously.

"Mummy's adamant that it's because I was conceived in Italy and there was a crucifix hanging above the wall. Being a good Scot she took it off and put it in the cupboard. She's adamant I'm her punishment."

"The waitress took away her half-

Cheltenham Ladies College – she's very like me, only she doesn't like getting into trouble."

I remarked that being naughty had served her well over the years.

"I've been naughty from the day I was born," she said, giving a stagey giggle.

"Mummy's adamant that it's because I was conceived in Italy and there was a crucifix hanging above the wall. Being a good Scot she took it off and put it in the cupboard. She's adamant I'm her punishment."

"The waitress took away her half-

## HOW TO SPEND IT

# Troubles in a suitcase

**Lucia van der Post tracks down the secrets of elegant and successful travelling**

**C**ome July and August and there is scarcely a man or woman whose thoughts do not turn to packing. It's the inescapable, unfortunate prelude to any journey, however small. There are those who are natural packers, easy eliminators of the unnecessary and the excessive. Then there are those, like me, who are incapable of distinguishing between the essential and the "what might come in useful".

I have dealt with my own packing inadequacies by travelling wherever possible to places where everybody looks even more rumpled than my clothes. Travel to the Selous, the Kalahari, rural India and your packing worries are hugely simplified (malaria pills, insect repellent, scruffy shoes, water purifying tablets, that sort of thing). No danger there of having to be prepared for a surprise audience with the Pope, a gala evening ball and a smart lunch all on the same day.

Most serious travellers, however, agree that the secret of elegant travel more or less begins and ends with the hand-luggage. Get that right, make

sure it is a quality piece, holds everything you need for the journey and a bit more (since I have twice lost all my luggage I now always have a change of underwear, toiletries and medicines and a spare cardigan or wrap in my hold-all) and then at least you know you will travel looking good.

I have also learned the hard way that anything gooey should be packed in a plastic or sponge bag of its own, and that when going to dusty places there is little that comes as useful as a collection of supermarket plastic bags.

These may not be pretty but they can only help keep the dust (and the damp) out.

Caroline Charles, the designer, who has to travel a great deal, always carries a black and white spotted soft-sided zipped case she bought in Tokyo 12 years ago (good luggage may seem expensive at the time but it does last). She rolls her clothes on lightweight hangers in polythene bags which stops them creasing. Charles decants beauty products into lightweight small containers, and since visiting Vietnam she has become convinced that pyjamas are the perfect travelling outfit.

Isabell Kristensen, (she who recently made the wedding dress for Sheryl Gascoigne, wife of Paul, the England footballer) never travels without her favourite piece of luggage - a hat box by Globetrotter. However, her latest discovery is a shoe suitcase designed by Manolo Blahnik for Louis Vuitton. "Perfect," she says, "for anybody with a shoe fetish - like me!"

Other shoe-fetishists might like to know that Louis Vuitton does a soft-sided bag which holds two pairs of shoes for £250. The whole trunk box which stores eight pairs costs £1,850, while a bigger version, which holds 12 pairs, costs £1,900 (to order only).

Royal packers, I am reliably informed, make sure their charges' clothes emerge looking fresh and uncreased by laying each shirt or dress out flat, one on top of each other in a big pile, and only at the end folding in the sleeves, shirt tails or skirts in one layer.

For those going to places filled with things that hop and bite, Mosquito Milk, £6.12 for 50ml in roll-on form, is one of the least unpleasant insect repellents. Find it in Boots or other chemists. Sun & Bite is a splendid duo - it protects from insects and sun at the same time. It comes with a range of protection factors from four to 30. Price from £5.99.

Marks and Spencer has a tiny French manicure set, perfect for packing, which has energy boards, white and pale pink nail polish, all for £5.

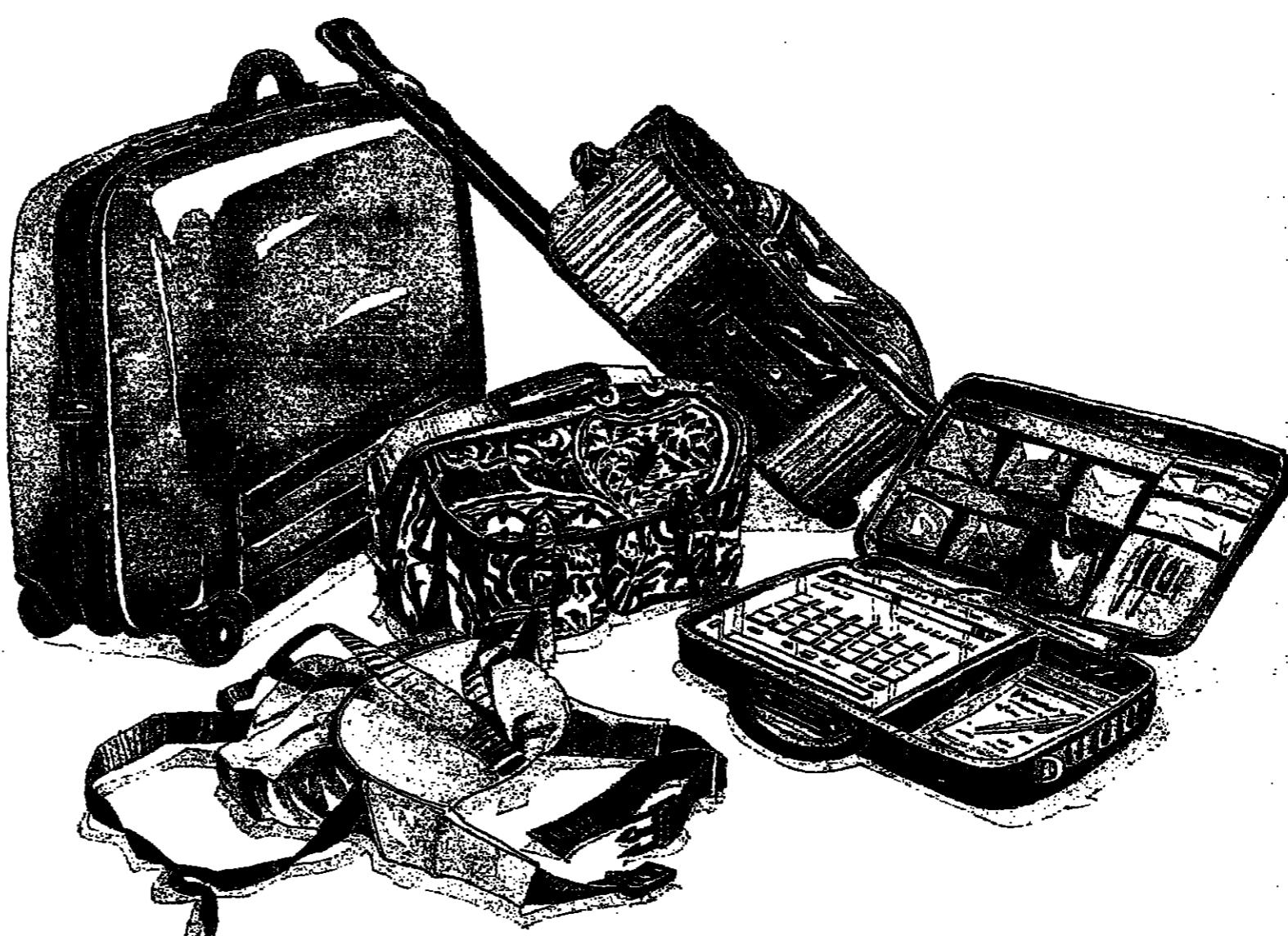
For those embarking on long car journeys, Travellers' Tales has about 6,000 books on tape which can be bought or hired. Annual membership costs £20, hire charges start from £6.40 for one-week's hire, including postage and packing for a four-tape unabridged book. Write to Neil Gunn, Travellers' Tales, Great Weddington, Ash, Canterbury, Kent CT8 2AR, for details (tel: 01304 812631).

Skin Care specialist Jean Ashley of 32 Albert Bridge Road, London SW1 (tel: 0171-720 4239) recommends taking camomile tea bags on trips. An infusion made with two bags to a cup of boiling water and then left to cool is an excellent aftersun care treatment. So, it seems, is Sweet Almond Oil.

Darphin, the French beauty company, offers a large range of products in small travel sizes. Everything from Aromatic Cleansing Emulsion (£6.30) to Arovita Anti-Ageing Cream (£12.45) and Aromatic Seaweed Bath Gel (£7.50) is available in easy-to-pack small containers. Find it in Darphin salons around the country (tel: 01933 788155).

And, finally, the most useful tip I have come across is never leave home without a card saying "I am a deaf mute" in seven different languages. The next most useful tip is to make sure you have a railway carriage to yourself, arrive early, sit in the window seat and beckon to the passers-by. I haven't yet tried either but I've got them up my sleeve should the going get tough.

*Additional research by Alexandra Maude-Roxby.*



Brian Postle

■ Top left: a multi-coloured hard plastic suitcase from Benetton's 'New Florence' collection. In green, red, blue and orange, this is one case you are unlikely to miss or mistake on the luggage carousel. Three sizes: £75, £85 and £128 from Benetton, 129 High Street, Kensington, London W8 6SH.

■ Bottom left: for walkers, ramblers and trekkers, the bum-bag that unzips to expand into a ruck-sack, in sand and black. By Delsey, £19.95.

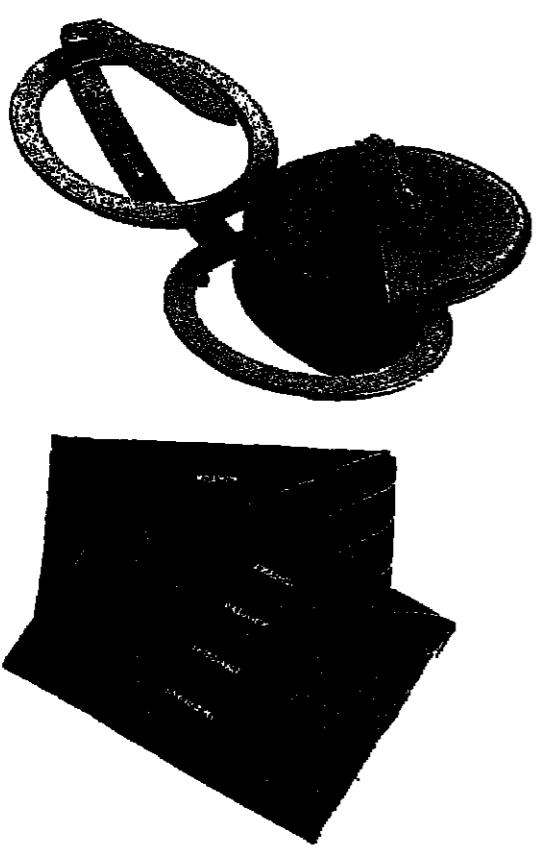
■ Centre: Liz Cox woven tapestry 'safari bag' in combinations of dark red, navy blue, or black with ochre. Fully waterproof, it has strong bridle leather straps and pockets inside and out. £285 from Liberty of Regent Street, London W1R 6AH.

■ Top right: The air hostess trolley may look naff but is oh so useful. It has good wheels, hard casing and holds a surprising amount. By Revelation, £195 or £295, depending upon the material, from the shop at 170 Piccadilly, London W1.

■ Bottom right: a problem of nos jours - how to carry the personal computer. Antler has applied the minds of its brightest and best and come up with a simple black case, in three sizes, the smallest just big enough to carry the PC itself. The padded inner lining has pockets to hold extras. £69.95, £79.95 and £99.95 from Selfridges of Oxford Street, London W1.

For those who do not want to carry two cases, Samsonite has an Overnite (sic) Computer Case which is the size of a slightly fattish overnight case but has two separate compartments - one for the computer and another for clothing. It comes in black nylon for £125 or in black leather for £245. It is 42cm by 30cm by 19cm and is available from good department stores.

L.v.d.P.



Smythson, that revered stationer, has revamped its range of stationery and other products. It still does wonderful engraving and has the traditional diaries and address books but there are some new products:

■ Top: double travel mirror, based on a 1930s design. It can stand on its own when the strap is tucked back. In black, navy, green, red or burgundy, £49.95.

■ Above: a currency case in which different currencies can be kept separately. This leather case holds four currencies and comes in black, navy, green, red or tan. £58.50 in leather, £52.75 in pigskin.

## Good-bye battery



Welcome to the future: Seiko Kinetic®, the first quartz watch that turns your movement into power. Every move you make is converted into electrical impulses by a tiny built-in powerhouse. Ecological, reliable and efficient: wear it one day to gain energy for at least two weeks. Wear it daily - it will run continually. Made of titanium: light, yet strong and kind to your skin. 20 bar water resistant. One-way rotating bezel and screw lock crown. Seiko Kinetic - it's built to last. Someday all watches will be made this way.

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## How to avoid collecting wrinkles in the air

**David Hayes receives some tips from the experts on how to arrive at the airport without looking crumpled**

**F**lying long haul for business can seriously damage your image. Crumpled shirts, rumpled trousers and turbulence-induced coffee stains can put you at a disadvantage with international clients at crucial straight-from-the-airport meetings, no matter how much leg room your airline can boast.

The best solution seems to be in the quick change routine. "If I am travelling long-haul," says Roger Saul, founder and managing director of the Mulberry fashion group, "I dress in loose, casual clothing and take a suit-bag with me on the aircraft so that I can change in the airport at arrivals - most major airports now have changing room facilities."

But what if you are actually travelling with hard-to-impress colleagues when only a suit and tie will do? With a little help from recent advances in fabric technology and a few invaluable tips from the experts, it is possible to look city-smart and minimise the inevitable sartorial havoc that long-distance travel can wreak.

"Any suit will crumple," says Clare Joel, menswear personal shopper of London's Dickins & Jones department store. "But pure new wool will look the best."

The new super 100 light-weight wools are the lightest yet and are perfect for arriving in any hot climate," says Joel. "Creases will hang out with a pure wool jacket - especially if you have the chance to hang it over a shower rail overnight - whereas any suit with 70 per cent man-made fibres will crease badly and hold those creases longer."

You do not have to spend a fortune on a pure wool suit. Lightweight suits that are perfect for travelling can be bought for under £300. Joel recommends classic 100 per cent wool suits from Pierre Balmain that start from £220 to more fashionable styles from René Lézard (again in 100 per cent wool) at £400 and Kenzo at £415.

Another fabric to avoid when travelling is linen. The putty coloured linen suit, historically favoured by Englishmen abroad, may make lightweight sense in the tropics, but only if your colleagues can fully appreciate the beauty of the heavily crumpled look.

At the luxury end of the market there is one name that stands out as a leader in the fabric revolution. Italian menswear company Ermengildo Zegna has been producing high-quality suiting fabrics

since 1910 and the bulk of its manufacturing business has gone into developing fabrics that meet the needs of today's business traveller. Zegna's beautifully tailored menswear line launched in the 1970s, has much to offer the discerning business traveller. And when it comes to lightweight wools, its high-performance fabrics are hard to beat.

"Our Super 120,000 merino wool fabric is the finest wool available. What Super 120,000 means is that a kilo of wool is spun to a single thread measuring 120km," says David Gisi, Zegna's London representative. "That makes our suits as virtually crease-free as it is possible to get but also incredibly light."

With a wide selection of ready-to-wear suits and sports jackets, as well as a made-to-measure service with a choice of 400 high-performance clothes priced at just under £200, the Ermengildo Zegna label is a worthwhile investment for frequent high-flyers.

The non-iron shirt is another development that can keep you looking crisp on a long flight and many companies are bringing out their own versions. Christian Dior introduced the first 100 per cent cotton style this year to meet the demands of its luxury brand - a departure from the uncomfortable cotton/synthetic mix versions that offered more in looks than comfort.

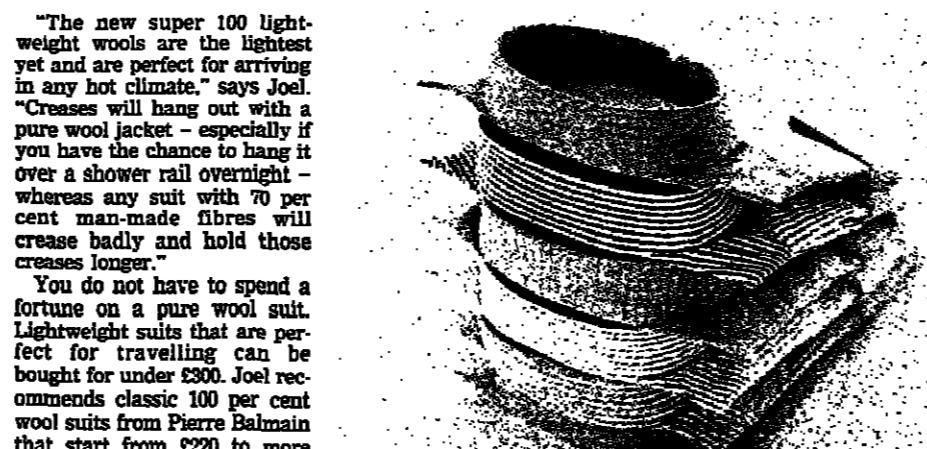
Available in classic white, with a choice of two collar styles (costing £79.95), the Dior shirt not only promises easy wash and wear, but also wrinkle-resistant properties that will keep it looking fresh for longer. Any creases you may get during travelling (ironing does not necessarily mean indestructible) can be smoothed away by hanging up and lightly spraying with water.

Another tip is to wear a vest or T-shirt underneath your shirt when travelling. "A cotton vest under your shirt - something that most men in hot climates always do - will absorb any sweat and help your shirt look better for longer when travelling," says Joel. "And if you have the chance to take it off before you land, you can go straight on to business feeling much fresher."

Buying into the 1990s non-iron revolution need not mean spending a fortune. Marks and Spencer has developed affordable non-iron fabrics that are a long way from the scratchy, drip-dry, bri-nylon styles of the late 1980s.

M&S has given cotton and wool blends non-iron properties without losing the comfort and softness of natural fabric, as well as adding stretch fibres such as Lycra and Tactel to give hardwearing performance to more formal styles. A tiny percentage of Lycra added to a suit will not only stop excessive wrinkling but also means that your suit will return to its neat shape after only a few hours on a hanger.

Great travel buys from M&S include the ubiquitous non-iron shirt (a strip at only £30), single and double-breasted suits in a shape-holding 97 per cent wool/3 per cent Lycra mix (£160 for a suit or sold separately at £105 for jackets and £65 for trousers); stain-resistant, Teflon-coated 100 per cent wool trousers (perfect for deflecting splashes of coffee at only £40); smart non-iron chinos (front-pleated with turn-ups at £30); and even a dapper fold-away Panama hat (£21) to hide unkempt hair on arrival.



Van Heusen's non-iron shirts, from £33 at good menswear departments

There



## FASHION

# Well-suited to match every woman's needs

Damian Foxe finds that the subtle advantages of men's bespoke tailoring are winning over an increasing number of female clients

**W**hat do Ronnie Kray and Naomi Campbell have in common? Apart from the same tailor, very little. Bespoke tailors are one of men's few fashion secrets, and with growing lists of high-profile female clients, including singers Kylie Minogue, Dolores O'Riordan (The Cranberries) and Tori Amos, more and more women are discovering the joy of having suits created specifically for them, at less than 5 per cent of the cost of haute-couture.

Elizabeth Herring, 31, a massage therapist and part-time writer, still gets excited over having her 1950s-inspired, skirt-suit tailored by Mark Powell. "I went to a man's bespoke tailor because I wanted something specifically created for me," says Herring. "Bespoke, unlike made-to-measure, involves the creation of an individual pattern for each customer."

Having discussed the style and fabric for the suit, an initial fitting was arranged. "I was immediately put at ease by Mark," she adds. "He was extremely professional, carefully noting each measurement and particularly what was individual and different about my body. I was not at all embarrassed because he was not being judgmental."

A toile (mock-up) of the suit is created, in either cheap calico fabric or loosely tacked together from the chosen fabric. At the second fitting, the client tries on the toile and the tailor makes the final adjustments before the suit is completed. The entire process takes between four and six weeks.

It is 200 years since Beau Brummel revolutionised the male aesthetic with his deceptively simple look. A new batch of British tailors are applying this philosophy to women.

With Brummel's revolutionary ideology of dress central to their approach, they are not trying to reinvent the man's suit but making it a new alternative for women.

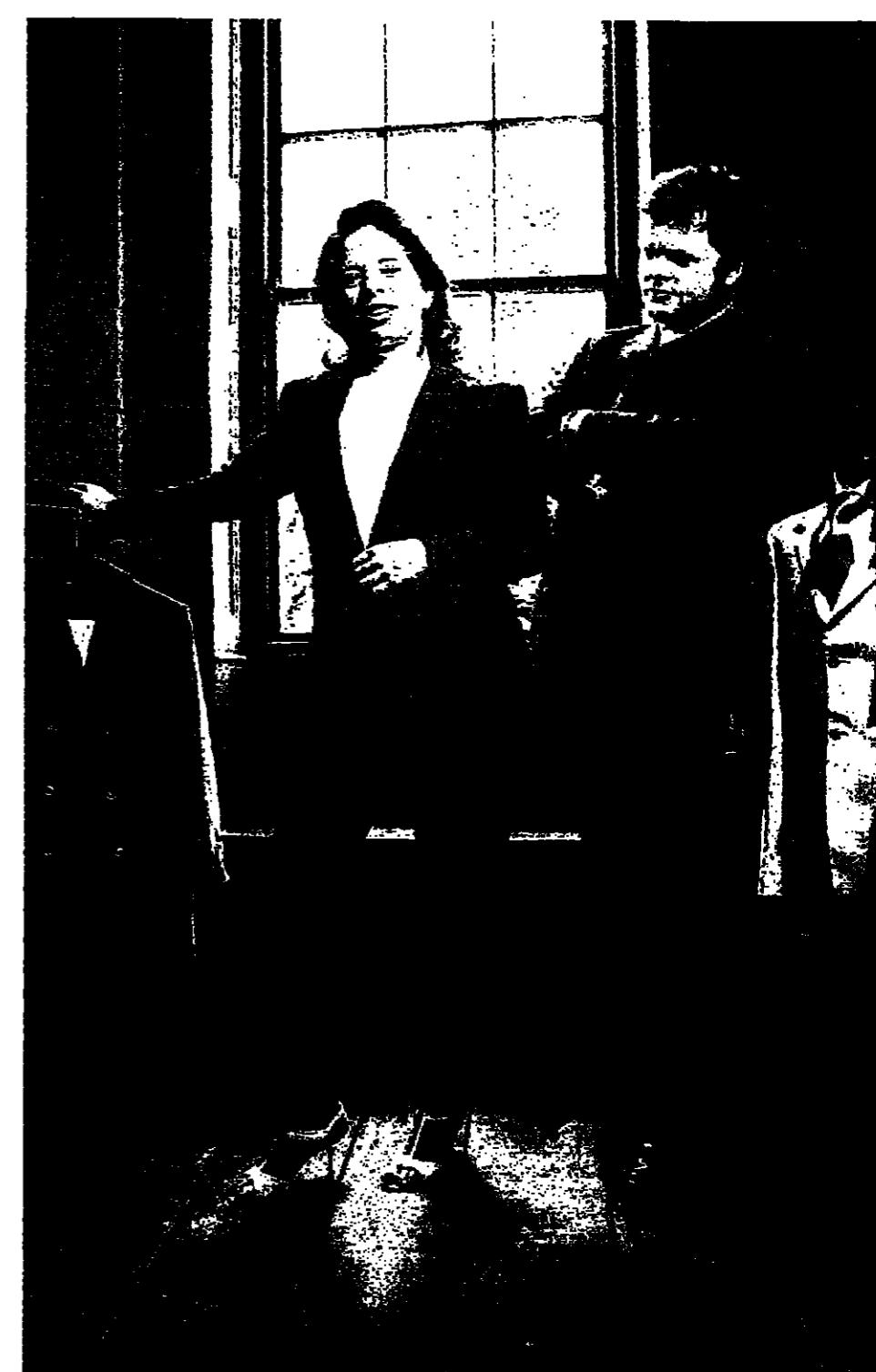
Timothy Everest and Powell, two of the most high-profile among them, will be showing their first women's ready-to-wear collections in London later this month, to complement their existing bespoke services. Ozwald Boateng, the only British tailor to have shown a men's collection in Paris in January, is now concentrating on bespoke for women.

Georgina Sinclair, 34, works in public relations for fashion designer Bruce Oldfield, who introduced her to Everest. She now owns eight suits by him, an overcoat and a velvet peacoat.

"It's addictive," says Sinclair. "I am 5ft 5in tall and find it impossible to buy suits off-the-peg. With a bespoke suit, you choose the fabric, you know that it will fit perfectly and when you walk into a room, nobody else will be wearing the same thing."

At £550 to £700, Sinclair is confident that Everest offers good value for money, adding: "You never have to worry about what you are going to wear. You simply choose a suit and vary your shirt, a concept men have been taking advantage of for years." Between 15 and 20 per cent of Everest's business comes from women and this figure is growing.

Sabina Roth, 28, a freelance editor, had been waiting for the ideal opportunity to employ the skills of Everest, who has been tailor to her barrister-fiance for four years. "I wanted a tailored structured wedding dress with no



Ronnie Cooke Newhouse, a freelance creative director, in the nutmeg mohair trouser suit made for her by Timothy Everest

design. They proved an irresistible attraction for Miel De Botton, 22, a Swiss psychologist living in Paris, who has paid £1,000 for a shocking pink suit.

"I think Ozwald is extremely talented. His cut is so pure," says De Botton, "and his use of colour and fabric is brilliant." Just eight weeks ago, Boateng moved into new premises in Vigo Street, just off Savile Row. His ambition is to fuse the concepts of design and traditional tailoring, creating what he calls "bespoke couture".

Kathleen Baird-Murray, fashion editor for Elle magazine, insists that Boateng earns his elevated price tag - upwards of £900. "You get something from Ozwald which you just cannot buy off the rails," says Baird-Murray, who owns three Boateng suits. "I am a size 10 on top and a size 12 on the bottom. Ready-to-wear suits simply do not cater

for such inconsistencies, while traditional dressmakers are more about ripping a page out of a magazine and attempting to copy it. Ozwald is a hybrid of designer-cum-tailor, and his advice and input are invaluable."

Boateng favours a body conscious look, stripped of all detail, to achieve a flattering and slender line. Surfaces of perfect invariable fabric are riven with strategic darts and seams, forming a long lean silhouette. However, they only successfully cover you if you have a long and lean body. His philosophy of tailoring is less about cleverly concealing one's physical shortcomings and

more about highlighting one's strengths. But you do need to have some impressive strength to begin with.

Chris Eubank has just paid more than £4,000 for a mink-coloured cashmere overcoat designed by Boateng, adding to a star client list which could out-sparkle the Brit Awards. Kylie Minogue, Tori Amos and Mick Hucknall are just some of the many pop stars who sing his praises.

Gender reassignment is complete. Belle, formerly Beau, is ready for the boardroom, the bistro and even the ball. Her principal feature remains understated simplicity, but her secret is definitely out.

■ Timothy Everest, 32 Elder Street, Spitalfields, London E1 6BT. Tel: 0171-577 5770. Mark Powell, 17 Newburgh Street, Soho, London W1. Tel: 0171-267 5492. Ozwald Boateng, 9 Vigo Street, London W1. Tel: 0171-734 6563.



Top: Eva Ferran, a hand-bag designer, in the fake black pony-skin trouser suit made for her by Mark Powell (above)

flounces," says Roth, "and I loved the suits Timothy had made for my boyfriend. Simplicity is very difficult to find in the shops. Timothy immediately grasped what I had in mind, and could verbalise my ideas." Her dress, a sinewy column of pale ivory, silk faille, is indeed a symphony in simplicity.

"Unlike women's dressmakers, men's bespoke tailors think in small details," says

the underside of the collar are standard on Everest's suits. His garments are all hand-crafted, meaning that the fabric is separate from the backing, allowing them to move against the body. The buttons are stitched by hand in silk thread coated with beeswax, which binds the thread and secures the button.

Mark Powell, who recently moved into new premises at 17 Newburgh Street, London W1, is more a tailoring stylist than a tailor and is renowned for dressing Ronnie Kray, who wore one of his suits as he was led away from the courtroom to Broadmoor Prison.

Powell wears his celebrity client list brazenly on his bespoke sleeve, citing many high-profile women among his loyal followers, and most recently Naomi Campbell, who has ordered five suits.

"My husband bought me a

Mark Powell, bespoke, three-piece trouser suit in charcoal grey pinstripe wool, for my 30th birthday," says Chiara Menage, 30, a film producer. "It is beautiful both inside and out. I love the details and annoy my friends by constantly pointing them out: covered buttons, moss green silk lining for the body and contrasting lining for the sleeves, concealed waist adjusters and inside jacket pockets which are normally only found in men's suits."

"I wanted a suit which would last, and although I would not normally spend £700, I felt that Mark was offering me an investment over time, something which was both durable and timeless."

Powell is not a trained tailor but he does all the fittings, employing his skill as a stylist and aesthete. His tailoring is undertaken on a commission basis, employing tailors who work predominantly in Savile Row. "I am very difficult to please," admits Eva Ferran, 32, hand-bag designer, "because I know exactly what I want. Mark immediately understood what I was looking for."

Ferran's suit combines a long-line, fitted, four-buttoned jacket with hipster, boot-leg trousers, crafted in fake black pony-skin. It is the embodiment of classic styling with a modern edge.

"Mark has a great knowledge of different historical eras," she says. "He could immediately interpret what I wanted, suggesting different options for cuffs, pockets, lapels and linings. We decided against inside pockets, because the jacket is so fitted. The arms are gently fluted, and close with a single covered button. I am so pleased. My suit is unique."

Sharply angling a pocket, scissoring a trouser leg to a seriously tapered point or gutting the sober continuity of a pinstripe suit with a blood-red silk lining, are all signature details of Ozwald Boateng's

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Harrods Ltd., Knightsbridge, London SW1X 7XL. Telephone 0171-730 1234.

## There is still a place for the corset

**I**t may not have escaped your notice that corsets are enjoying a revival. Traditionally, they were worn by women (and sometimes men) as undergarments, but this time round they are

finding favour as an overgarment, inside or out, though, their purpose remains the same - to improve on nature for aesthetic or erotic reasons.

Designed to narrow the waist and push-up and support the breasts, anthropologists claim that a woman's slim waist is a means of letting society know that she is not pregnant.

Followers of fashion maintain that the corset goes back 4,000 years. The British Museum has a Minoan figure from 2000BC - clearly female with bare breasts; she is wearing a corset and crinoline as an outer garment.

There is also literary evidence that Greek women were concerned with figure control: a band of linen or leather from a young goat was bound round

the waist and lower torso. Roman women also wore girdles, called cestus, under their loose robes.

During the next 1,000 years loose clothing for both sexes was the norm. This changed in late medieval times, when women's waists were again accentuated - loose garments were drawn close to the figure by lacing at the back. Historians believe that this emergence of the waist was the start of fashion.

It was then that the corset began to take off, so to speak. It was made in two halves, fastened together at the front and back, and paste was used as a stiffener between two layers of linen. By the 16th century, whalebone had become the popular stiffening agent.

This century, a combination

of style changes and new fabrics - namely rubber, first natural then synthetic, that could be woven as elastic thread - produced straighter, more gentle undergarments to shape the female form. They had various names and often incorporated zips and suspender belts.

The invention of Lycra contributed to the demise of the old-style corset and the rise of the bra. Many thought corsets had been confined to history when jeans and short skirts came along. But, love 'em or loathe 'em, it seems that there is still a place for a corset in a woman's (and some men's) wardrobe.

Christopher  
McCooey





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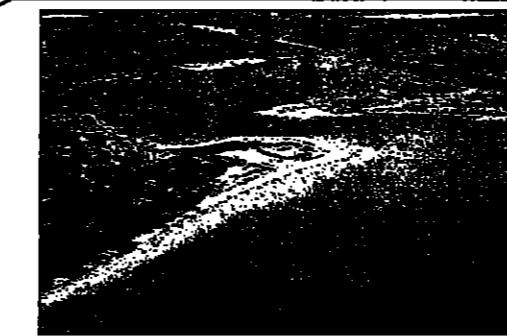
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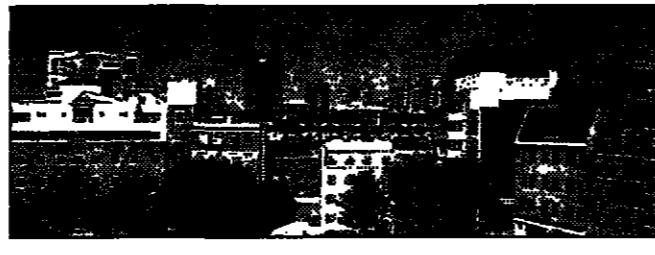
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## FOOD AND DRINK

## Golden and delicious tipps

Jancis Robinson says this is the time to drink sweet wine

**O**ne of the many great mysteries of modern life is why people are so snuffy about sweet wines. Perhaps it is because virtually all those which form a bridge between childish drinks and grown-up wine – Liebfraumilch, Lambrusco, Matens rosé, Plat d'Or, Galle, Hearty Burgundy – are deliberately sweetened, usually with added grape concentrate.

So poor old Ch d'Yquem, grandaddy of Sauternes and arguably the noblest, longest-lived, most difficult-to-make wine of all is treated with the same vaguely sticky brush as these mass-market sweeteners.

While its Médoc counterparts churn out reliable quantities of their dry red bordeaux year in year out, Yquem, and other

fine Sauternes properties, have no such guarantee.

They have to pay to send pickers through the vineyard an average of six times over six weeks every autumn, in the sometimes vain hope of gathering a worthwhile quantity of grapes shrivelled by botrytis, or noble rot, which gives great sweet wine such a long and glorious life.

The consequence is that while the Médoc proprietors have practically run out of refreshments to spend their money on, Yquem is looking increasingly like a 15th generation Scottish castle with death duties pending. Nevertheless, one of the most memorable meals I have had was a lunch at Yquem.

Believe it or not, the sweet,

golden house wine was served throughout the meal – a different vintage with each course, naturally – and I rose from the table feeling thoroughly refreshed (as well I might, you may feel, having just had several hundred pounds worth of wine poured down my throat).

It's started with *foie gras*, this extra-rich delicacy being a classic partner of sweet wine in south-west France. This was in an era when my own liver could still look a second helping of *foie gras* in the face.

Then, perhaps most controversially, Yquem was served with a main course of chicken. This was not a sickly sweet wine, but an intense, almost

burn-tasting, savoury vintage which, because it had absolutely enough acid and concentration to counterbalance the sweetness, was not remotely cloying.

Ruinefort followed, another traditional sweet wine partner in which the cheeses salt and acid is counterbalanced by the wine's sweetness. The only course that was less than convincing with the Yquem was the pudding, an almond tart.

In my experience it is quite difficult to match sweet foods with sweet wines. If the food is sweeter than the wine, the wine, even an expensive one, too easily tastes like vinegar.

In domestic practice, it can be easier to choose to serve sweet wine with cheese, not

just blue cheese (a custom now enthusiastically embraced by food-traditionalist tasting expert Michael Broadbent), or on their own at the end of a meal, or even with a sweetish savoury food such as onion tart.

But this is by far the best time of year to enjoy sweet wine in its supposedly proper place, with the sweet course, for summer berries are an ideal accompaniment.

Strawberries, raspberries, blackberries, gooseberries and currants of all colours can rarely muster a level of sweetness to rival that of a sweet wine, and their natural tartness cuts out for something truly, unlike the apples of the same name, golden and delicious.

## Sweet wines to buy

■ Ch de la Chartreuse 1990 Sauternes, £9.99 a half (£7.50), at bigger J. Sainsbury and Oddbins. Now it is a Sauternes designed to assure the doubters: pungent, full-bodied, rich, deep-flavoured with both smoke and fire and an almost peppery burnt sweetness. Buy as much of the 1990 as you can afford because it will keep beautifully and the next vintage, 1994, is a pale shadow.

■ Berry's Sauternes, £9.95, 50cl. Berry Bros & Rudd. This is not as exciting and rich as the Chartreuse but is lively and well made by Dubourdieu of Ch Doisy Dene.

■ Lindemans Botrytis Semillon 1989, about £3.99 a top Tesco, Berkeley Wines, Fullers, Elbridge Pope, Herts, Majestic, Oddbins, Unwins. This Australian is a little bit oily and glucose syrup-like but it is not expensive and has the lovely, piercing acidity of nobly rotten grapes. It would be fine well chilled.

■ White Jerezpico 1973 KWV, £3.95. Waitrose. This is a traditional South African speciality, fortified with spirit and aged in wood to produce this greenish gold rancio syrup with its sharp spine of acidity. Waitrose has a long track record of finding obscure but interesting sweet and fortified wines, including at present a bizarre alcoholic raspberry syrup at

£7.99 which it claims is just the ticket with chocolate ice cream.

■ Ch Pierre Bise, L'Anse 1994 Sélection de Grands Nobles 1994 Coteaux de Layon, £14.95. Lee & Sandeman, London W8 SW10 and SW13. Do not worry about the length of this wine's name. Just ask L&S for the sweet white Loire as it has lost its heart to – and quite rightly. This botrytised marvel from Claude Papon's patch of soil in Beaulieu is truly, gloriously, deep gold, wonderful texture, lovely now, very persistent. Should age superbly too.

■ Chardonnay/Weißburgunder Beerschotawijse 1994. Alois Kracher, £25 a half, Noel Young 01223-844744. Classic proof of Austrian Burgenland's ability to harvest lots of botrytised grapes practically every year, this is the master winemaker's classic grape blend (avalanche to Sauternes' Semillon/Sauvignon). Drink now or over the next few years.

■ Schilfmandl 1993 Wili Opitz, £28.19 a half, T & W Wines, 01842-765646. Kracher's cousin and master marketer (he has just released a CD of the sounds of different grapes fermenting) produces this rarity, a deep copper syrup from grapes dried on straw mats on the shores of Burgenland's great lake, the Neusiedlersee.

## Why fish is no longer a penance

I was once having dinner at the home of the local solicitor in the west of Ireland. Tumblers of whisky had been consumed before-hand. The soup came and went. Lamb chops followed. The sound of corks lifted from bottles was deafening.

I was preparing an assault on the pudding and cheese when the host, who until then had appeared a sane individual, asked if I liked fishing. I nodded.

"That's great. We'll be off then."

It was 11pm and pitch black outside. However, this was the last night when the solicitor had netting rights on the nearby river. His wife seemed to think all this was normal behaviour and waved a cheery hand as we left to meet the lads out on the boat.

We caught nothing. I nearly did myself permanent damage slipping over the rocks. At one point the local butcher had to carry me ashore. A similar thing happened the other night at Kealeys fish restaurant at Greencastle in the northerly reaches of County Donegal, on the estuary of the river Foyle. The nearby oyster beds are the biggest in Europe. So the oysters had slipped down nicely. Next came the Greencastle chowder, full of more fish than soup. The main course was a giant piece of turbot. As I struggled to do it justice, James Kealey, the restaurant's owner and chef, suggested a little walk.

Perhaps I would care to go to the fish auction across the road? With agulp of wine – a Chateau Musar '89 that had made its way from the hills of Lebanon to the wilds of Donegal – we were off.

For the next hour we watched the mysterious game of fish buying. Greencastle is one of Ireland's busiest fishing ports. There was much talk of the terrible inequities of European Union fishery policies. Peter, the manager of the local fisherman's co-op, says Ireland has 17 per cent of EU waters but less than 5 per cent of the fish catching quota.

Our boats have to stay in port while the Spanish and French sail by, catching all they want." In between bidding, James gives his cooking philosophy. "You don't need many sauces or frills. When fish is as fresh as this you don't want to interfere with it much."

By the time we were back at the restaurant it was nearly

midnight. No one seemed to have left. A German slurped at a pint of stout, cream droplets clinging to his beard. A party of French grandmothers tucked into desserts.

Eating in Ireland used to be a dreary mean of brown Windsor soup and cremeux meat. However, in recent years a culinary revolution has taken place. Chefs have learned to use fresh local produce. Fish, once the dish of penance, has come into vogue.

This year Egon Ronay gave Kealeys the best seafood restaurant in Ireland award.

The Chateau Musar was finished and pints of stout and Irish coffees appeared. James and his wife, Tricia, modest to a fault, are amazed Kealeys has come so far, so fast.

"Donegal has always been known as the forgotten county," he says. "We came back here to run the family pub seven years ago. There was nothing. Nowhere to eat for miles around. Yet there was seafood right outside the door."

James trained in Dublin and Germany. "At first we served anything from lobsters thermidor to sandwiches here in the bar. People would crowd in. A couple of years ago we decided to build a proper restaurant."

Kealeys has a celebrity following. John Hume, MP for Londonderry, often holds court there. Mary Robinson, Ireland's president, has visited. Brian Friel, the playwright, is a neighbour and regular customer.

Outside the winds are beginning to blow. Greencastle is only a few miles from Malin Head, the most northerly point in Ireland.

The French party left with a chorus of thanks. The German decided to give his beard another dousing. More pints arrived. Most of the people from the fish auction joined the party.

Tricia suddenly remembered I was not offered dessert. She volunteers to rustle up some belly-splitting delicacy.

Too late and too full of drink to drive back, I look for a bed and breakfast. It is a wonder no one suggested a fishing expedition.

Kealeys seafood restaurant, Greencastle, County Donegal, Tel: (within Ireland) 077-81010. Food is served seven days a week between June and October.

Kieran Cooke

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## Appetisers / Jill James

## Cheating at eating caviar

**T**he price people pay for caviar never ceases to astound. And while it is true that nothing is as good as the best Beluga, Oscietre and Sevruga, it is surprising that more people do not opt for other fish roe – particularly if they are eating it as an accompaniment – which is a fraction of the cost of the real McCoy.

The reliable Morel Bros, Cobbett & Son, Unit 7, Goldharbour Lane, London SE5 9NY, which does fine foods by mail order, is stocking salmon roe at 29.95 per 100g and Caviar, sea urchin

roe, at 29.95 for 250g.

Compared with, say, the company's pasteurised Beluga (£39.95 for 25g) that is not a bad option.

A spoonful of roe tipped on to scrambled eggs popped back into their shells and served like boiled eggs makes a nice, simple dinner party starter.

For orders ring 0171-346 0046 or fax 0171-346 0033.

■ It has never occurred to me to visit Harrods food halls during their summer sale in Knightsbridge; the word bountiful has never seemed more appropriate. Chefs can take advantage

of reductions on an extensive range of fish and meat until

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telephone free on 0800 2724 1234, 24 hours a day.

■ Those who are braving the Knightsbridge summer sales might seek rest and relaxation in the Chelsea Hotel, in Sloane Street. Darren Roberts, the head chef, is putting on an 18 two-course set menu (£11.50 for three courses) for those ordering between 6pm and 8pm in the First Floor

restaurant.

Sounds a mess to me but if

you like huge amounts of

different fillings then this is

the place. Every sandwich is

made to order but you can

order or fax ahead. Tel: 0171-580 3847.

Dishes include chilled melon

soup with port, grilled lamb

pie. It is so good it is sinful.

Looking like a school cafeteria with its bright lights and wood floors, Lloyd's on Highway 280 in suburban Birmingham has everything fried: chicken, onion rings, oysters and it is an institution. It serves iced tea in oversized glasses and constantly refills

Claire Frankel



Crab and prawn gumbo with okra: all part of the rich cooking tradition of the southern US





## BOOKS

# Zionism: profit and loss

David Pryce-Jones on a pithy guide to the history of Jewish emancipation

**A**s the modern world took shape, Jews at last had the opportunity to become active agents of their fate rather than remain the passive victims of the people among whom they lived. Prospects opened to several possible futures. What actually happened was unpredictable and extraordinary and it has the force of a parable about mankind.

Geoffrey Wheatcroft is a good guide. He enjoys arguing all round a position, and he is witty, even witty, which is quite a feat on such a topic. His material derives from a range of sources, reaching to popular music and horse racing, believing it or not. A rationalist, he prefers things to be nice and tidy, with the result that "strange" and "curious" are his favourite adjectives of bafflement at the many paradoxes and ironies thrown up in the course of Jewish emancipation.

A line of thought running from

Voltaire to Hitler extended the prejudice of the past, maintaining that Jews were hateful in themselves. Owing primary allegiance to their own kind, they could never be accommodated in a society, it was argued. The Comte de Clermont-Tonnerre, in a parliamentary debate in Paris in 1789, instead asked "How can we make the Jews happier and more useful?" Although the question still took Jewish passiveness for granted, the answer seemed obvious. Jews had only to assimilate in other words, all would be well if they became the same as those they lived among. Remaining distinctions would be folkloric.

Assimilation became a practical possibility when the newfangled idea of the nation-state was shaking up settled patterns everywhere. Germans, Italians, Greeks, Poles, Irish and others were organising themselves on the basis of race and language and, to some extent, religion. National unity involved doing violence to the neighbours, to native back-sliders and to minorities. Whether in Tsarist Russia, Dreyfusard France or nationalist Germany, Jews in practice found that assimilation veered between illusion and fraud. The slogans might be fine and fresh, but the persecution was familiar. By the

million, Jews emigrated to America while the going was good. A small number drew the conclusion that what Jews ought really to

THE CONTROVERSY OF ZION  
by Geoffrey Wheatcroft  
Sinclair-Stevenson £17.99, 320 pages

copy from everyone else was the nation-state itself. If they had one of their own, in Palestine preferably, then they could be just like other people, assimilating at a higher level, as it were, but without any surrender of identity.

Those in favour included Moses Hess, Theodor Herzl and Chaim Weizmann; those notably against were influential Jews, usually capitalists, but also Karl Marx, the Viennese satirist Karl Kraus, and Leon Trotsky, all of whom offered their own varieties of assimilation. Unpacking the threads of a passionate and profound debate, Wheatcroft concludes that on the whole the Zionists lost, and deserved to lose. Although Utopians, they were also pessimists who had accepted, even internalised, the anti-Semitic prejudice that Jews would always be hateful to other people.

There the matter might have

rested, but for the accidents of history. For imperial reasons the British took control of Palestine in the first world war and legitimised Zionism as a mass movement. Soon afterwards, Hitler carried Jew-hatred to its ultimate end of mass murder. The Zionists were proved to have been right in their pessimism. Desperate survivors from Hitler's Europe then established the nation-state of Israel.

In terms of reviving a dead language and creating a scientific and cultural centre, Wheatcroft continues, Israel has been a success. But it was bound to do violence to the Arab neighbours and he treats this

as an exceptional moral flaw rather than yet another regrettable example of real-life nationalism. More pertinently, he observes that Zionists have taken their destiny into their own hands, only to discover that this still leaves them set apart from those they live among, and persecuted for it. Anti-Zionism is a derivative repeat of anti-Semitism.

In an astonishing contrast, those Jews who emigrated to America now form the largest community there has ever been, and its well-being is unprecedented. Their assimilation there appears genuine and irreversible, seemingly the best guarantee of the happiness of the Jews. Although nominally united in almost all respects, Israelis and Jews are already finding that their interests diverge. The profit-and-loss balance sheet between Zionism and assimilation is indeed strange and curious and Wheatcroft is wise to leave it at that.

# Holy city of death and destruction

Only by applying the lesson of history can Jerusalem hope to realise the dream of its devotees, writes Christian Tyler

**A**n Israeli from Manchester - not a superstitious type - told me once in a bar in Tel Aviv that a meteorological survey of the country had produced a result so strange that the government dared not publish it.

Looking about to make sure he was not heard, he confided that the atmosphere above Jerusalem was much thinner and clearer than the city's elevation could possibly account for.

Even science, it would seem, has succumbed to the mystique of the Holy City, focus of three great religions and the cockpit of Middle East politics. For, as these histories demonstrate, Jerusalem is as much an idea, a human aspiration, as it is a place. They show, too, that when contenders for the place have appealed to history they have brought nothing but division, death and destruction. Only by applying the lesson of history can Jerusalemites - and its devotees - hope to realise their desire for it.

Karen Armstrong, a former Catholic nun who made her name with *A History of God*, builds her dense and scholarly history around this essential psychological armature. Her portrait of the city is intended as an exploration of the "sacred geography" felt by its worshippers. All religions have their sacred mountains, groves, cities and temples. Jerusalem provides that divine access for Jews, Christians and Moslems.

The myths about Jerusalem should not be dismissed, she writes. "They are important precisely because they are myths." To point out that there is no archaeological trace of Solomon's Temple, or to doubt the authenticity of the tomb of the Christian Messiah brought to light by the emperor Constantine (not his mother Helena), or to scoff at the story of the Prophet's ascent to the "seventh heaven" from the Temple Mount, is to miss the point.

The fitness of any race of faith to hold the city, Armstrong implies, should not be judged by the historical priority of their claim. The Israelites, after all, received their revelation on Mount Sinai, not Zion, and

were content when they first conquered Jerusalem to leave it in the hands of its Jebusite rulers. Christian veneration of the holy places came relatively late and the ferocity of the Crusaders' *jihad* negated by its savagery any spiritual claim to precedence.

As for the Moslems, last to claim the city as a shrine, they believed themselves co-religionists of Jews and Christians and traced their ancestry to Abraham's son Ishmael. The conquering caliph Umar refused to pray at the Church of the

A HISTORY OF JERUSALEM: ONE CITY, THREE FAITHS  
by Karen Armstrong  
Harper Collins £20, 455 pages

JERUSALEM: THE ENDLESS CRUSADE  
by Andrew Sinclair  
Century £17.99, 295 pages

JERUSALEM IN THE TWENTIETH CENTURY  
by Martin Gilbert  
Charta & Wanda £20, 400 pages

Holy Sepulchre in case his followers felt obliged to erect a mosque there. He took the Jewish rabbis with him to reclaim the Temple Mount, the Haram al-Sharif, which the Christians had used as a rubbish dump.

Armstrong ends on a censorious note appropriate to her theme. In its treatment of the vanquished, she writes, the state of Israel has not measured up to the example set by King David. But nor have the Jews (who took the city back in 1967) been the worst conquerors. Yet she finds a parallel between modern Israel and the Crusader kingdom, both foreign enclaves supported and supplied largely from outside and surrounded by hostile states. She compares the high-rise Jewish settlements thrown up around the city to Crusader fortresses.

Where Armstrong dwells at length - sometimes too long - on Biblical and Byzantine Jerusalem, Andrew Sinclair moves swiftly to the blood

and thunder of the Crusades. He describes how under the papal banner (even the poor old Saxons faced one at Hastings) the mob was whipped into a holy frenzy. The first crusaders from Germany warmed up with a pogrom of the Jews, and there was no quarter given to either Jews or Moslems when the Holy City was finally taken.

Sinclair makes his own excursion into sacred geography. With William Blake at his elbow he describes some of the stranger manifestations of The New Jerusalem: not only the ritual of the Freemasons but the cult-like Anabaptist community set up in Münster in the 1500s when Lutherans and Catholics were expelled, where special coins were struck and the cathedral square was renamed "Mount Zion". In America the Pilgrim Fathers gave their settlements names such as Salem, Hebron and Bethlehem. Even Washington DC, with its groundplan of mystic circles on a grid and its dome on the rock of Capitol Hill, seems to have been an expression of spiritual longing.

From his shorter, more consciously literary account Sinclair has few conclusions to draw. The conqueror has always declared a divine right to the city, he says (probably not true of the Persians under Cyrus) but the founder staked the first claim. "Israel has demonstrated to all the world its original and immovable title."

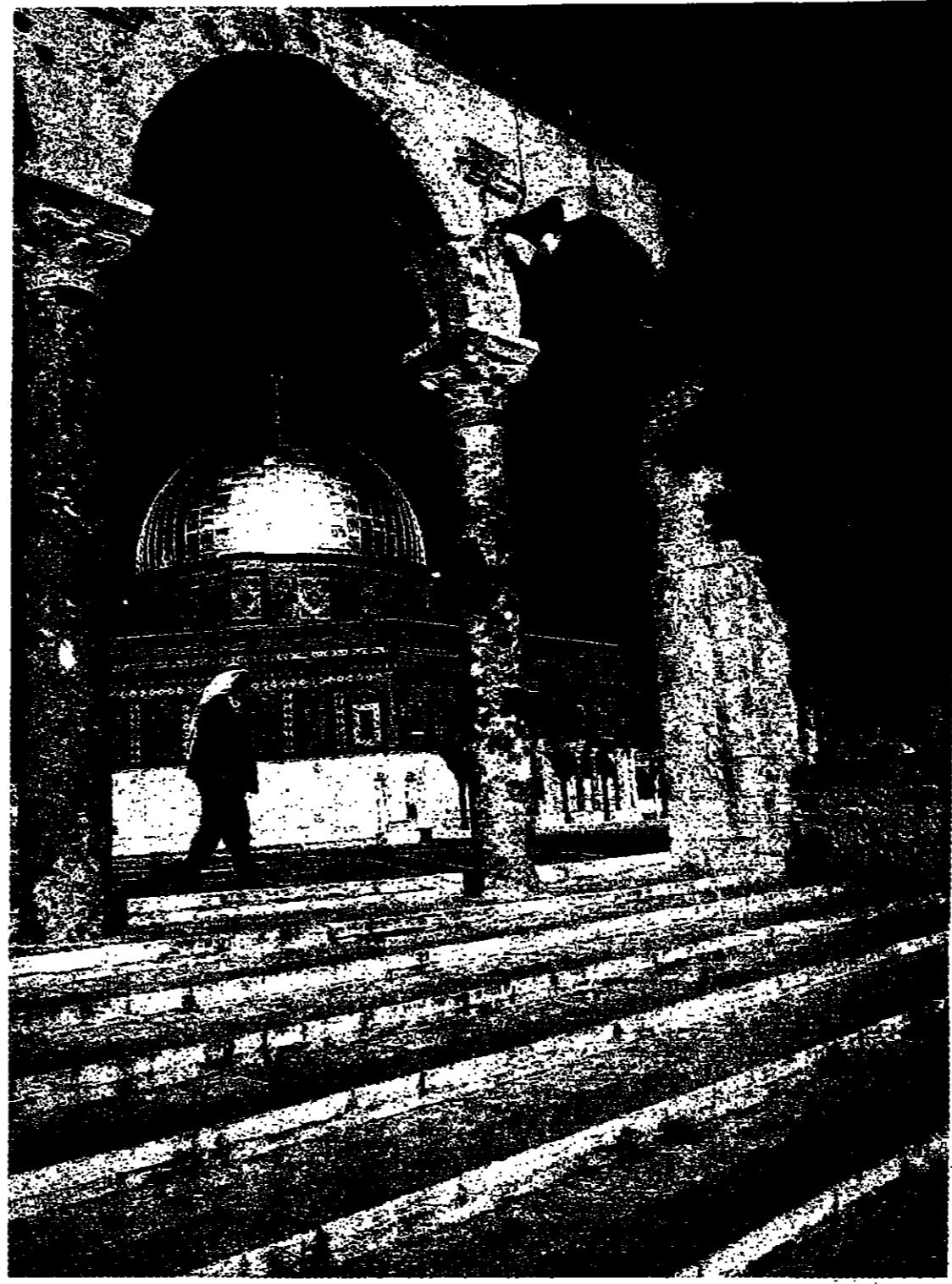
As a Jewish historian Martin Gilbert, the indefatigable biographer of Winston Churchill, could be expected to take an even more partisan line in his account of the city's past 100 years. But it is not his style to pass judgment, scarcely even to offer an interpretation. He illustrates by quotation. The declaration by Yitzhak Rabin, assassinated by a Jewish fanatic last October, conveys official intransigence well: "Jerusalem, which was destroyed eight times, for where for years we had no access to the remnants of our Temple, was ours, and is ours, and will be ours - for ever." Gilbert describes without comment, and to depressing effect, the endless cycle of provocation, expropriation and terrorist atrocity.

The future status of Jerusalem has yet to be tackled under the peace plan agreed in late 1993. But the lesson of history - of two of these histories, at least - seems to be that no political jurisdiction can be

peacefully enforced without unqualified recognition of spiritual claims.

Israelis regard Jerusalem as their capital (though the United Nations does not) and so do the Palestinians. Proposals for joint sovereignty

which have been floated recently may or may not be realistic. But Jerusalem is not a Beirut or a Belfast. It is a unique place where, in the words of King Hussein of Jordan, "sovereignty is God's alone."



The Dome on the Rock, representing part of Jerusalem's 'sacred geography' divided between Jews, Christians and Moslems. As the focus of three great religions and the cockpit of Middle East politics, Jerusalem is as much a human aspiration as it is a place

# Restoration of a reputation

If this book does not rescue Bacon from Macaulay, nothing will, writes A.C. Grayling

**I**s Francis Bacon one of England's greatest? Is he a paradigm of Renaissance Man, scholar and statesman, author of some of the wisest and most graceful works in the literature of England, reformer, kind friend, patron saint of the scientific revolution and harbinger of modern times? Or is he a snake, a rat, a betrayer, a cheat, a coward, a corrupt and venal self-server, without honour, without truth, who clambered up on others' backs, and repaid them with treachery and worse?

In the eyes of history Bacon appears either as the first of these things, or as both. Note that fact: even those who think him a rat and a cheat acknowledge his genius as writer, thinker and statesman. But the imputation of terrible dishonesty occludes his virtues in these respects, which is why the controversy over his reputation matters. For if the charge of dishonesty is unfair, then one of the heroes is not just of England but of Anglophone, indeed western, culture has been denied his place.

The aim of Nieves Mathews' absorbing book is to defend Bacon against his accusers, and thus

restore him to the pantheon. "Restore" is the right word; for as Mathews shows, the accusations only began a century after Bacon's death, until which time he had been admired by his countrymen to such an extent that when the Royal Society was founded in 1660, a generation after Bacon's time, he was invoked as its inspiration and example.

The trouble began with Alexander Pope's reference to Bacon as "the wisest, brightest, meanest of mankind", and reached its plateau with the brilliant essay by Macaulay, published in 1837, which devastated Bacon's reputation and set an orthodoxy in which Bacon's genius is obscured by his alleged moral vileness.

In 1581 he met the Earl of Essex,

was born in 1561, the son of Sir Nicholas Bacon, Lord Keeper of the Great Seal and both brother-in-law and political ally of Elizabeth I's

prime minister, William Cecil. He went to Trinity College, Cambridge at the age of 13, and at 16 had a post in the English embassy at Paris. After qualifying as a barrister at Gray's Inn he entered Parliament, rapidly distinguishing himself as an

FRANCIS BACON: THE HISTORY OF A CHARACTER ASSASSINATION  
by Nieves Mathews  
Yale University Press £20, 592 pages

orator and astute man of affairs. He became a legal officer in Elizabeth's administration and established his literary reputation with his marvelous *Essays*.

He was one of the prosecutors in

Essex's treason trial, which ended in the earl's execution. Under James I Bacon's career flowered. Holding successively more senior positions, he was ennobled first as Lord Verulam and then as Viscount St Albans, and became Lord Chancellor in 1617. In 1621 he was impeached before the House of Lords for taking bribes, admitted the charge and left office, dying five years later. During his busy public life, and in the years of retirement afterwards, he wrote important works of philosophy, chief among them *The Advancement of Learning* and the *Nova Organon*, in which he argued for an experimental, inductive approach to the acquisition of knowledge, in order to advance the cause of science by giving it a new methodology free from the stultifications of Aristotelian logic.

It is Bacon's treatment of Essex, and the corruption which ended his

career, that Macaulay attacks. The bald facts - that he acted as his patron's prosecutor, and that at the dizz height of power he took bribes to shout against him. Lytton Strachey, himself as much in love with the glittering Essex as Elizabeth had been, called Bacon a snake. Betrayal and corruption: the two crimes magnify each other, and jointly look like proof. The exquisite mastery of Macaulay's prose, together with his generous estimate of Bacon's intellectual achievements, make the case seem unanswerable. Accordingly, when James Spedding published a careful and minute reply to Macaulay a few years later, it went unheeded. But Spedding's defence shows that Macaulay, writing his essay in Calcutta with one biography of Bacon before him as his only source, had been guilty of serious misrepresentations.

Nieves Mathews rehearses Spedding's account, supplementing it with much new material. Bacon's repeated efforts to advise Essex against folly; his attempt to mediate between him and a jealous Queen; his hope of securing a lighter sentence for Essex if only he would confess and seek forgiveness (which Essex did, but too late); and later, the fact that everyone in office was pilled with gifts by suitors, and that all of them, including the political opponents who secured Bacon's removal from office, were themselves acceptors of just such gifts: these facts put a very different complexion on things. Macaulay neither situated Bacon in his times, nor examined any of the original documents. If he had done so, he would have found a greater continuity between Bacon's actions and the extraordinary mind present in the works of philosophy and literature which bear his name.

Mathews' account is highly readable and crammed with interest. It is a frank - one might almost say, a zealous - work of partisanship, but the evidence it marshals on Bacon's behalf is compelling nonetheless. If it does not rescue Bacon from Macaulay, nothing will. I think it does.

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Most of this is predictably familiar territory for Gardner, a formula that has worked so magnificently well before. But while *Sophie's World* appealed to people who wanted to learn about philosophy without

going to all that bother of actually reading any works by study, and old philosophers, it remains unclear what exactly is the point of *The Solitaire Mystery*. Some of Gardner's answers are mildly intriguing: "life is one huge lottery," he opines, "where only the winning tickets are visible." Many of the conclusions, as well as the organisation of the chapters, are based on the pervasive metaphor of a game of cards. Members of the human race, Gardner claims, are dwarf-like miniatures, pitifully limited sensory existence and shamed by chance or by the Almighty. Only the philosopher - the joker in the pack - can see beyond this endless game of solitaire.

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Michael Thompson-Noel  
John O'Mahony

## Toys for the Bond boys

least have these books to remind them of the games men played.

Author H. Keith Melton is described by his publisher as "a renowned military historian and specialist in clandestine devices and equipment". Just in case we are a bit stupid, the publisher adds that Melton is "recognised internationally as an authority on espionage paraphernalia and... serves as an adviser to US intelligence agencies on historical espionage equipment".

Unless you were in the spy

game yourself, you probably wouldn't believe how much equipment and paraphernalia the spy business has thrown up. Yet here it all is, lovingly photographed and described, from suitcase radios, enigma machines and anti-bugging devices to a great variety of weapons, be they special-issue, silenced, close-combat or concealed.

Among concealed weapons, the most remarkable is/was the KGB's single-shot recoil pistol, which utilised a 4.5mm firing device packaged in a rubber

sheath: a common method, writes H. Keith Melton, of hiding items from cursory search. On the other hand, if you are expecting to run into a bit of close combat but are loath to drop your pants, you would be all probability be better off with the Peskett Close-Combat Weapon, named after its second world war inventor, John Peskett, and designed for "special operations". It was a combination cash, garrotte and dagger complete with wrist strap that looks fit to be rediscovered as a fashion accessory, especially by those determined not to be down-sized by cost-crazed bosses.

Unfortunately, most of the spying celebrated in *The Ultimate Spy Book* is old-time spying, with the greatest attention paid to the second world war - one of the peaks, after all, in

the history of espionage. As a result, the chapter entitled "Spies of the Future" is brusque and disappointing, observing, rather obviously, that in addition to the opportunities for spying implicit in the political uncertainties spawned by the demise of communism and religious fundamentalism, new-age spies can be expected to pay closer attention to industrial espionage, crime, terrorism and shenanigans in cyberspace.

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## BOOKS

## Putting an unsubstantiated boot in

**T**he publisher's blurb starts with the asinine claim that this is "the first full-length biography" of Jung; so much for Van der Post, Stevens, Brone, Samuels, Bennett, Stora, Stern, Von Frans and the rest, not to speak of the famous autobiography. Few men in this century have had so many words devoted to them, and it is necessary to ask why Frank McLynn should be adding another 600 pages to the shelf?

Dr McLynn is a hard-working professional biographer who has always had a fondness for psychological interpretations (often pretty half-baked) of his wretched subjects' lives and, to go with it, a taste for putting the boot in. Not surprisingly, *Carl Gustav Jung: A Biography* is an exercise in hostility and incomprehension. One wonders why he wrote it. With the exception of subjects like Hitler, one can surely

This biography of Jung is an exercise in hostility and incomprehension, thunders J.D.F. Jones

expect a biographer at least to start off with an element of sympathy for his chosen character, and it is arguably also desirable that he be qualified for his task. Is McLynn a psychologist? A mythologist? An historian of religion? Or of the arts? I

Neither does he betray the slightest experience of, or awareness of the mysteries of, the analytic process. This is not to say that it is necessary to be a "Jungian", or to have gone through an analysis, to write yet another biography of this towering figure of our time, but Jung in particular can only be appreciated, for better or worse, after long experience, consideration and evalua-

tion of his ideas. "I deliberately did not seek expert advice or academic readings," McLynn professes. Why not? (Anyhow, he is constantly quoting other people's opinions.)

The result is a combination of the old familiar stories and polemics, in unnecessary detail, much painstaking description of McLynn's versions of Jung's thinking, often oddly off-key, and a great many unsubstantiated value judgments, almost invariably to Jung's disadvantage. We are taken through the important early work in Zurich on schizophrenia, the row with Freud, the visit to East Africa, the psychological crisis during the first world war, the Sabina Spielrein episode

("a dormant erotic volcano"), the Toni Wolff relationship, the interest in alchemy, the smear of anti-Semitism, and, in an overtly hostile chapter, the outrageous slander of

**CARL GUSTAV JUNG: A BIOGRAPHY**  
by Frank McLynn  
Bantam Press £25, 624 pages

alleged collaboration with the Nazis. And so on and so forth.

Again and again McLynn returns to his prurient fascination with Jung's sex life. He was, we are assured, "a compulsive womaniser" who felt himself "doomed to promis-

cute" and married Emma for her money before imposing on her a "ménage à trois with Toni Wolff". The crass comment is that Jung destroyed both Emma and Toni. Still worse, "evidence is thin as to what exactly Jung got up to in the fleshpots of Paris..." One can sense McLynn's disappointment.

We are told that all this can be

laid at the door of Jung's mother, just as his "struggle with God" was a rejection of his father. Small won-

der that when McLynn mentions the Jung Papers, which have still not yet been released and whose content nobody knows, he assumes that they contain principally "the names of Jung's many unknown

mistresses". Jung would have pointed out that such speculation points to the fantasies of the spectator: as he wrote, "One sees best what one sees oneself."

Perhaps all this can be laughed out of court, but we should not for-

give the unceasing denigration of Jung, about whom the best the biographer can conclude is that he was a prophet, not a scientist or a scholar. The long

description of the struggle with Freud and with Vienna is reported with an open bias to Freud (who described his chosen heir as "a florid fool and a brutal fellow") and who wrote, in 1914, "so we are at

last rid of them, the brutal sanctimonious Jung and his disciples").

*Symbols of Transformation*, the massive, ground-breaking book which inspired Thomas Mann, Kerouac, Eliot, Campbell, and all subsequent students of mythology, is dismissed as "a madcap farce". *Memories, Dreams, Reflections*, the late autobiography, is mentioned only briefly, and rubbished. The concept of "synchronicity" is described as "a turgid bouillabaisse" (a meaningless metaphor). Jung's undeniably genius as an analyst is summed up as "notably erratic and explosive". Even the exuberance and charm of the man, which everyone who met him remembers, are denigrated.

McLynn writes at one point that "everything Jung said about Freud and his theories was distorted, exaggerated or unhelpful...". That sums up very well what McLynn has to say about Jung.

## Homage to a wanderer's eye

**Nigel Spivey on the paradox of Bruce Chatwin, nomad, writer and connoisseur**

**H**e had, as they say, "a good eye". Some slyly allege that it was his looks that secured him precious promotion at Sotheby's. But Bruce Chatwin's powers of observation and discrimination were surely the basis for his literary achievement.

At worst, his attention to detail seems a pseudo-pedantic gloss of name-dropping. At best, the predatory gaze yields a prose that is both precise and surprising. Few modern novels reach the clarity of narrative that Chatwin displayed in his 1982 masterpiece, *On the Black Hill*; posthumous hooverings of uncollected ephemera, then, are entirely to be expected.

This present homage is smaller than Chatwin's own selection of his journalism and minor pieces, *What Am I Doing Here*, published just after his death in 1989. Scraps of autobiography are nicely mixed with stories and essays, and there is also the text of a lengthy synopsis for a book considerably preserved by its recipient, Tom Maschler. "On nomads", of course: this new collection may revise the impression that Chatwin was a latecomer to writing, but it confirms nomadism as his obsession.

His first conscious line of literature, he tells us, came at the age of six: "I am a swallow". Though he then got stuck on how to spell "telephone wires", it was a highly appropriate opening for someone whose soul must have been inherited from a bird with migratory habits.

Reading this book near one of Chatwin's places (Mount

Athos), and watching the swallows over a pool tirelessly swooping for nutritious superficial specks, I mulled on the paradox he presents once again. Here is a man apparently footloose; a man who held to the faith (as phrased by Thom Gunn) that "one is always nearer by not keeping still"; and who registered very clearly the sentiment of being overburdened with possessions (specifically, Chatwin notes that he came to despise his work at Sotheby's after

would have seemed too much of a self-contradiction. Nomads do not carry tomes. Books do not furnish a tent.

The problem lies with Chatwin's analysis of "restlessness". He studied archaeology for one year: not long enough to appreciate that archaeology does not reveal a universal human trait of needing to move.

Of course there are pastoral peoples and itinerant sub-groups. And by extending the sense of the term "nomadic", it can be stretched to accommodate tourists and refugees. With studied irony, the protagonists of Chatwin's miniature epic (two pages) entitled "Bedouins" are Jews.

But neither archaeology nor evolutionary biology demonstrates nomadism as a primal stage of existence. True, when Odysseus describes this or that people as "bread-eating", he means that they have become civilised by deserting pastoral in favour of arable agriculture – thus staying put in settlements rather than switching from one grazing ground to another. But plenty of Stone Age peoples around the world had long ago discovered the pleasures of a fixed domicile. There was never any Golden Age of human restlessness.

Did Bruce Chatwin ever live out of a dormouse? Of course not. How horrendously vulgar that would have been. Accepting his paradox, however, we may still enjoy the noble quality of his writing. If nothing else, it is proof that the contents of the Sunday colour supplements need not be one hundred per cent crotinous.



A bas-relief of dancing nymphs in the Louvre was the inspiration for this fashion photograph which appeared in Vogue in 1931: from a tribute to the designer Vionnet (Thames and Hudson £12.95, 80 pages), part of a series which includes studies of the work of Saint Laurent, Dior and Chanel

**T**wo opposing drives operate throughout human life: the drive for companionship, love, and other forms of interaction with our fellows, and the drive toward being independent, separate, and autonomous. In recent years psychologists and others have so over-emphasised the importance of interpersonal relations as the principal source of human happiness that the insights and rewards of solitude have been underestimated. Peter France is a convert to Eastern Orthodoxy, and spends much of his time on the island of Patmos, which for 1,000 years has provided a refuge for hermits. This book is an engaging, selective resume of the sayings and teachings of hermits down the ages, from ancient Greece to modern times.

The Desert Fathers were so ridiculed by Gibbon in his famous chapter on the pro-

cess of the Christian religion in *The Decline and Fall of the Roman Empire* that their virtues have been overlooked. Some may have been ascetic exhibitionists, but others "developed, in their solitude, a uniquely subtle awareness of human psychology". This observation may explain the apparent paradox that ascetics who had withdrawn from ordinary human concerns were much sought after for advice about personal problems in living. Solitude was not recommended as an escape, but as a means for attaining insight. As one father said: "It is better to live among the crowd and keep a solitary life in your spirit than to live alone with your heart in the crowd."

Some of the most interesting successors to the Desert Fathers were to be found in Russia, where a middle way between total solitude and community living became established as the norm. This consisted of a group of predominantly solitary hermits who lived close enough to come together in communal worship. Optina Pustyn near Moscow became the most famous skete in Russia, and Ambrose its most renowned saint, or spiritual leader. Both Tolstoy and Dostoevsky consulted Ambrose, who is said to be the model for Zossima in *The Brothers Karamazov*.

In the 18th century, hermits became so fashionable that a country gentleman might build

a hermit's cell in his grounds as a kind of spiritual folly, and then advertise for a hermit to occupy it. Did not thought that solitude depraved men, but

**HERMITS: THE INSIGHTS OF SOLITUDE**  
by Peter France  
Chats & Windus £16.99, 240 pages

Rousseau set a fashion for the solitary contemplation of Nature.

Some people are attracted by solitude because they feel that they can only be their true selves when they are alone. Henry Thoreau, author of *Walden*, seems to have been in this

category. Peter France might also have quoted Jung, who built himself a retreat at Bollingen on the shores of the lake of Zurich in order that he could discover his own inner truth without being distracted by others. Peter France touches briefly on the Eastern tradition, choosing as his example Sri Ramakrishna, described by Nehru as "completely beyond the average run of men". I am sure he was, but the interesting thing about his aphoristic sayings which Peter France quotes is their close resemblance to the teachings of Christian mystics. How refreshing it is to find a teacher who says: "It is not good to feel that my religion

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The book ends with extracts from a journal and an interview with Robert Lax, an American poet who has lived on Patmos for 30 years. He chooses solitude because he can only work as a poet when free from worldly distractions. Lax believes that enlightenment is "to know what one is doing". His central endeavour is to discover "the spirit of peace" within himself.

Let me confess a personal interest. I was drawn to this book because a few years ago, I wrote a book called *Solitude* in which I tried to explore the relation between solitude and creativity. I wish Peter France had written his book before mine was published. I should certainly have drawn on his observations and his quotations from some of the great hermits, which are as relevant to the human condition today as when they were first uttered.

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## ARTS

# Natural modesty of the true artist

Roger de Grey's work is in the best tradition of 20th-century British painting, writes William Packer

Roger de Grey died unexpectedly after what was supposed to be a routine operation early last year. He was 76, and barely 18 months into his retirement from the presidency of the Royal Academy, an office which he had filled with conspicuous enthusiasm and distinction since 1984. But all office has its drawbacks, and while his term had secured the academy's continuing development and expansion, and a number of remarkable exhibitions besides, his absolute commitment to its cause, though worn with so light a wit and grace, had largely kept him from his own work. It was indeed no minor triumph that he managed to go on painting to the extent he did.

For he lived to paint, and it would be the saddest mistake were the public man - Sir Roger de Grey, KCVO, FRA - however distinguished, be remembered at the expense of the working artist he really was. This current show, the first proper retrospective of his life's work, beautifully mounted in the academy's fine Sackler Galleries that are the monument to his presidency, comes, therefore, as a most salutary corrective.

The strength in depth of British painting throughout the 20th century is an undivided achievement, the more so given the general received opinion that ours is an unvisual nation. We look for novelty - the bright young thing, the rising star - to our cost, forgetting the broader and mature tradition from which such things spring. De Grey, nephew of the painter Spencer Gore, was born into that tradition, founded in the cosmopolitan British response to European painting at the turn of the century, sustained in turn by Sickert and his circle of the Camden Town Group, and then by Bloomsbury and the Buxton Road School between the wars.

The ability to watch television and word-process at the same time - courtesy of the convergence of the products of California's dream and DRAM factories - will bring a new immediacy to the craft of television reviewing.

Thesaurus-thumbing and old-hat contemplative word-mongering in the wee small hours will be dispelled. Got reactions will prevail in the instant review. Bile and blessings will spill readily into the keyboard. With a push of the "send" button they may be sprinkled through cyberspace and onward into your breakfast-table newspaper.

Cool stuff, this convergence, according to Avram Miller, the grizzled brainbox who dreams up new applications for chips at Pentium-maker, Intel. And if it does not work out like that, who cares?

Think of the homemaker who may want to watch the afternoon horse racing, place a bet via the Internet, and cook supper from an on-screen recipe. How about working on the progress of a football match on channel number 350? That was the example Miller wheeled out before a

bunch of grumpy Hollywood TV executives the other week, defying them - unsuccessfully - to have him tarred and feathered back to San Jose.

After all, he proposed (and I paraphrase), did not the common ability efficiently to eat supper, read the newspaper, kick the cat and watch TV all at the same time demonstrate the limitless adaptability of the content consumer?

There are as many scenarios for the future of television as there are chips in Silicon Valley. And all of them depend on what many see as the inevitable fusion of the personal computer and the Box into a composite multimedia device which by rights should be known as the PFC.

The "content" as we experts call it, will be piped in, 400-odd channels at



Always his own man: 'Maremma Coast: Morning', 1990, by Roger de Grey

things is de Grey anything but his own man.

In common with so many artists of his generation, de Grey followed a long parallel career as a teacher and, in common with so many, suffered by it, though not necessarily in terms of commitment, satisfaction or frustration.

Rather it is that we are ever

too anxious to celebrate the young, looking always to the pupil before the teacher, and it was his and his colleagues' luck at the Royal College in the 1950s and early '60s, to bring on a vintage crop - Peter Blake, Auerbach, Richard Smith, Bruton, Kitaj, Hockney and so many more.

The point is not that those

younger artists did not deserve their success, but rather that the assumption that seemed to go with it, of a concomitant rejection of the old-fashioned and irrelevant, was grossly unfair. It is a show such as this, the retrospective that de Grey was never to enjoy in his lifetime - Hockney's first came before he was 10 years out of

college - that confronts us with our prejudice and myopia. Good painting is good painting, and to be seen as such where, when and whatever it is.

Roger de Grey: Sackler Galleries, Royal Academy, Piccadilly, W1, until September 22, sponsored by Harpers & Queen and Premiercare.

## Television/Christopher Parkes

# Hello, Mr Chips

to accommodate their product? The not-invented-here syndrome is common in artistic/creative Hollywood and may play a part. The strong rivalries between pragmatic northern and fussy southern California should not be under-rated.

But probably the most telling component in the mix is the programme producers' sentimental attachment to old technology and the fond notion that the PVC can never be better than watching TV is a family thing, and PC use is a solitary vice.

Not so, say the web crawlers. Sampling has shown that many viewers enjoy the ability to watch and "interact" together. Surveys of web activity taken during showings of shows such as *Melrose Place* - popular with young people who dominate the net-surfing community - show hits on the shows' web sites and activity in associated "chat rooms" actually increase when the programmes are on air.

Watching the box as a member of the virtual community is virtually upon us. And anyone out there who still thinks of viewing as a pursuit for families should ask a 20-year-old modern jockey or, better still, a television reviewer.

A shame that post-war aristocratic Britain did not exploit the food value of the marching horde of caterpillars that invaded Abergavenny on July 10, 1946. *On This Day* is a daily record of how we lived 50 years ago. Neville Heath was arrested for two murders. The Americans tested new bombs in the Bikini Lagoon. The British *Housewives' League*, led by "vicar's wife and food crusader" Mrs Lovelock, led a revolt against bread rationing. Poland requested 4,000 cats, from the UN to combat a plague of rats and mice. Women's hats and fashionable trimmings were made from carpets, rugs, and bath mats. Interviews with survivors, film soundtrack and readings, hosted by the excellent Geoffrey Wheeler, annoy only by their lack of identification. Whence, for instance, the advertising jingles, especially the wool commercial advice to "knit your own knickers". Three ounces for knickers, four for cam-knickers. Dear dead days, when an American statesman said Britain was bankrupt but "moral magnificence". What do they say now?

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Often felt during the parallel seasons of American Ballet Theatre and New York City Ballet this spring that one was watching two mediocre organisations that, between them, possess the strengths of a single fine ballet company. One, ABT, has superb principal dancers but a very spotty repertory. The other, NYCB, has a magnificent repertory but few dancers of real distinction.

I will report on NYCB at a later date. As for ABT, its acquisition of brilliant performers has been remarkable of late, outpacing even its acquisition of dull choreography. The last couple of years have witnessed the ascent of not one but two young lions such as usually come along about once a decade. Paloma Herrera and Angel Corella, both 20, share prodigious gifts of vividness, vitality, and love of the stage. Together - and ABT puts them together whenever it can - they induce hysteria in normally sedate adults.

Corella, a thickly muscled Spaniard, has impeccable bravura technique: the buoyancy

that gives a leap or jump that freeze-frame quality of mid-air suspension, the explosive energy and precise anatomical placement that allow for eight or ten pirouettes at a go. Herrera, the precocious beauty who leapt to stardom two seasons ago, is simply exquisite. Instinctively dramatic, inexhaustibly lovely, she shows us what the poets mean when they speak of nature perfected by art. Seeing Herrera dance is like watching water pour - a flowing shape that is ever changing, ever clear.

The two more mature stars among ABT's recent arrivals present a study in contrasts. Vladimir Malakhov, the ultimate in cool haute, often seems to dance not so much in a baller as above it. His long, elegant, sensitive legs make him ideal for the cavalier roles in Kenneth MacMillan's *Romeo and Juliet* and *Manon*, with

their abundant and inventive vocabulary for the lower body. Jose Manuel Carreño is every bit as marmoreal as the sound of his name suggests and every bit as passionate as his Cuban birth would lead one to suppose. What one cannot anticipate is his sweetness -

Herrera shows us what the poets mean when they speak of nature perfected by art

his gentleness, his solicitude, his vulnerability. Though he is rather too diffident an actor in gestural passages, his unusual combination of qualities enables his dancing to embody a wide range of emotions. In *La Bayadère*, he matched the

monumentality of his great Russian partner, Nina Ananashvili. In *Balanchine's Apollo*, his candour thawed Susan Jaffe's icy self-consciousness.

Even the finest male dancers pick their way through *Apollo* with the care of a sapper. Its unorthodox shapes and spare, segmented phrasing demand the utmost precision. Of the man who performed this new addition to ABT's repertory and they included Malakhov and Julio Bocca, the company's senior male star - only Carreño really made it into a dance. Rarely does one see these steps rendered with such clarity or with such continuity across the most difficult transitions. His duet with Jaffe was a triumph: by turns grave, playful, tender, reverent.

Aside from *Apollo*, one of the workhorses of the international repertory, ABT has

lately mounted a long string of under-cooked story ballets and overblown contemporary works. *Cinderella* returned to the repertory this spring in Ben Stevenson's 1970 staging. The production begins promisingly, with a first scene loaded with broad humour and the kind of precisely imagined, skilfully realised dramatic detail so often lacking at ABT. The ballet as a whole, however, convinces very little that one would actually call dancing, and the stage business gets rather tiresome after a while.

Like so many other successful American designers, Twyla Tharp has turned her name into a brandmark. It is to be understood, of course, that the product offered - under strict control for safety and reliability - bears no resemblance to the cheeky, eclectic work with which she made her reputation. ABT, having purchased

## Ballet/William Deresiewicz

# Dancers to die for

three Twyla in quick succession can now offer an entire evening of turgid, elephantic athleticism. One of the signs of true backwardness is its indifference to decorum - in other words, its knack for generating bathos. *The Elements*, Tharp's latest, deals with the evolution of cosmic order out of primordial chaos.

Now Juri, Kylian's *Stepping Stones* deals with is anyone's guess, including, I'll bet, Juri Kylian. Securing the world for new work, the ABT management hit upon this chiselled piece of absurdity (created for the Stuttgart Ballet in 1991), apparently charmed with the idea of watching the likes of Carreño, Herrera, and Jaffe manipulate plastic rocks. Surely such a collection of stars has been assembled for a better purpose?

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## Radio/Martin Hoyle

# Different sorts of digging

When BBC radio and television are united in one vast, characterless, inchoate, Kafkaesque production line, I hope it is radio's news standards that will dominate. This thought is prompted by a slowly and shallow item on television's *Newsnight* last week dealing with the return of the Stone of Scone to Scotland.

The stuff of life is of course food. Wednesday's *Grub's Up* was a gingerly absorbing reminder that 80 per cent of the animal mass on earth is made up of insects. There are 30 million species, of which 90 to 95 per cent are edible. And to prove that this is not confined to primitive peoples in rain forests, the long-suffering Joanna Pinnock went on a nature ramble with someone called George from Oxford University Museum, collecting such edible dainties as slugs, crickets and woodlice. The latter, he attempted to reassure her, are related to crabs and not really insects at all.

He later stir-fried the fruits of their gamboiling with onion.

Stop pulling faces and eat up your locusts. They are good for you

garlic, curry paste and coconut milk while the doughy Pinnock, who really earns her money, made comments of glassy-eyed brightness. A lady named Tracy who runs a pub called the White Hart (its location discreetly unspecified) now serves her regulars with locusts along with their Newcastle Brown. "We get some sensible suggestions sometimes," she said cryptically. In fact, the protein and vitamin-rich insect world should be the answer to many of the planet's food problems; but already in Africa the locals are abandoning this diet as a result of westerners' disgust. So stop pulling faces and eat up your locusts. They are good for you.

A shame that post-war aristocratic Britain did not exploit the food value of the marching horde of caterpillars that invaded Abergavenny on July 10, 1946. *On This Day* is a daily record of how we lived 50 years ago. Neville Heath was arrested for two murders. The Americans tested new bombs in the Bikini Lagoon. The British *Housewives' League*, led by "vicar's wife and food crusader" Mrs Lovelock, led a revolt against bread rationing. Poland requested 4,000 cats, from the UN to combat a plague of rats and mice. Women's hats and fashionable trimmings were made from carpets, rugs, and bath mats. Interviews with survivors, film soundtrack and readings, hosted by the excellent Geoffrey Wheeler, annoy only by their lack of identification. Whence, for instance, the advertising jingles, especially the wool commercial advice to "knit your own knickers". Three ounces for knickers, four for cam-knickers. Dear dead days, when an American statesman said Britain was bankrupt but "moral magnificence". What do they say now?

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The vogue for...  
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## ARTS

**A**t the last minute Lord Rothschild, chairman of the National Heritage Memorial Fund and the Heritage Lottery Fund, redrew himself - and the Thomas à Becket casket will stay in the UK. A year ago the owners of the reliquary, the British Rail Pension Fund, which bought it for £462,000 in 1978, offered it to the British Museum for £1.8m. The impoverished BM could not raise the money from heritage sources.

Last week Lord Thomson bought it at a Sotheby's auction for £4.18m. On Thursday Rothschild announced that he had matched Thomson's bid and the casket would appear soon at the Victoria & Albert Museum.

What lessons can be learned from this expensive saga? The most obvious - that museums should be given more money for purchases - is a non-starter.

The second, that the Heritage Lottery Fund should be bolder about acquisitions of art and more prepared to face down the abuse of the tabloid media, which will always criticise it for giving money to tiffs to keep treasures in the UK, seems unlikely to be taken on board. To save the casket, Rothschild put on his other hat and provided £2m from the

uncontroversial National Heritage Fund, which now has little left in reserve from its £8m annual government grant.

The third is that the 25 per cent partnership money expected by the Heritage Lottery Board from institutions should be lowered if the items to be saved are of the greatest national interest.

**I**n the end, Lord Rothschild had to squeeze the arms of the rich and famous to raise the extra £200,000 needed above the donations provided by the V&A, the National Art Collections Fund, and the National Heritage Fund. He is still squeezing because not all the money is yet in place.

But on the whole this has been a good few days for the heritage, thanks to lottery money. There was the £1.5m which helped bring the Gilbert collection of 1,000 pieces of silver and golden knick-knacks to Somerset Houses. There was the returning of the £300,000 William

Kent tables to Chiswick House. There was the £5m which enabled the National Gallery to acquire its first Dürer this week, and plug an embarrassing gap in its collection.

Despite criticism, the only real heritage loss in the past year is the Fra Bartolomeo which went to the Getty in Malibu for £14m, although you can still see it for a few more weeks at the National Gallery.

The losers from all this activity are the salerooms, notably Sotheby's and Christie's. To give Lord Rothschild time to arrange a deal the heritage secretary Virginia Bottomley uncovered a little-known power which enabled her to put a temporary stop on exporting the casket. Now the salerooms wonder if any owner will entrust an important work to auction in London if the government can suddenly discover inside the V&A, in which he promoted good design before the Design Museum he created as a cultural crowd puller among his Thames-side restaurants came on

Boilerhouse: not the most romantic

word in the English language, but powerful enough to brew up a row between Terence Conran and Alan Borg, director of the Victoria & Albert Museum.

For most of the century the

Boilerhouse rises again as the title the V&A has chosen for its controversial £24m new extension, a cubist fantasy designed by architect David Libeskind. Sir Terence is furious.

He believes that the name belongs to him, especially as the V&A distanced itself over time from the Boilerhouse project. He wants the name dropped. But Borg is

standing firm, arguing that the space on which the extension is planned was always called, well, the boilerhouse.

The unexpected has returned to 50 St James's Street, in the heart of London's chancery. This solid Georgian building was home to Crook's scandalous "Temple of Chance" in the 1820s before sitting up for over a century as the Devonshire Club. Now it is, temporarily, a place of surprises again. Artangel has taken it over for its 1996 artistic happening.

Until July 28 anyone is invited to

experience the Mexican artist Gabriel Orozco's imaginative interpretation of the Englishman's twin loves, games and architecture. He has infiltrated the house with conceptual surprises, such as an oval billiard table in which a ball is suspended just above the surface; and a soap model of Lord's, in which the crowd is a forest of trees, as in Machado.

**T**his is fairly modest stuff for Artangel, whose most famous creation was Rachel Whiteread's concrete moulded

"House" in Bow, and whose most successful was Robert Wilson's "Amber" project in the abandoned cells on the site of the Clink Prison in Banksy.

Artangel has become the most fashionable coterie for the small but impassioned band of lovers of the *avant-garde* in art. Unlike other modernist groups - such as the Tate's Patrons of New Art, the supporters of the trendy Serpentine

Gallery and the Whitechapel Group - the portentously entitled Company of Artangel has no building to cluster around. Artangel invites a contemporary artist to create a work anywhere in the UK each year.

It is an expensive venture. The Arts Council and the London Arts Board are generous backers but Artangel is dependent on Becks, the beer brand, which has just promised £120,000 over the next three years if Artangel can raise matching money from its friends.

It should not be difficult. The Company of Artangel already numbers 60, each paying £300 a year to experience the thrill of the new. They include such grandees as Lord Rothschild and Lord Gowrie as well as major modern art collectors like Doris Sanchéz and Jill Kithlak, and tandems Dave Stewart and Janet Street-Porter.

The members not only get the satisfaction of patronage: there are exclusive parties with chances to network, and, perhaps of most appeal, a free limited edition work by the year's chosen artist. Winter's "House Book" is already valued at around £1,000. Artangel director James Lingwood expects to expand the company to 100 in the near future but will probably cap it at 200. After that it would become almost vulgar.

## Theatre/Alastair Macaulay Centenary triumph of Ibsen

**T**o see Paul Scofield, Vanessa Redgrave, and Eileen Atkins act together would be lure enough. And in Richard Eyre's new staging of Ibsen's *John Gabriel Borkman* at the National Theatre (where Vanessa is making her debut, forsooth), there is also some first-rate playing of supporting roles. But the real triumph is the play.

Since *John Gabriel Borkman*, a masterpiece seen too seldom on the British stage, is one hundred years old this year, this production arrives with perfect timing. (I write in the hour that follows the curtain's fall.) Eyre, directing, seems simply to efface himself in serving Ibsen and his cast.

Though one can find fault with the performances given by the three great stars, one hardly wants to, because they pump all their intensely expressive intelligence into revealing this bold, bleak, enthralling play.

All of 19th century thought seems to enter into *John Gabriel Borkman*. The title character lives (and dies) a capitalist, in love with mining and investment. He has now become tragically isolated from life, a Napoleon-in-exile even in his own house, where his wife Gunhild never speaks to him, where his son Erhardt is estranged from him, and where he himself broods obsessively on the treacherous ingratitude of others and on his own return to glory.

The play begins with the return of Gunhild's twin sister Ellin. She has loved him profoundly, before his marriage, and he once loved her more than life itself. Not, however, more than money. Borkman's great crime, Atkins makes it look the easiest. She plays the bitter, fretful, wife with such assurance that she reveals more wry humour in it that can ever have been found in it before.

She and Redgrave make fascinating sisters; they display the same awful rapaciousness, the same accidental mannerisms, the same occasional tenderness. But where almost every line Atkins utters sounds definitive, Redgrave's line-readings keep sounding surprising. The tricks of laughter, breathlessness, interruptions, tonelessness which she employs are often, moment by moment, bizarre; but the whole is magnificent, an ex-Muse painfully but lyrically revisiting her non-poet. As for Scofield, he has infused his extraordinarily stirring voice with the dull harshness of another latterday grand swindler, Robert Maxwell, and with a few impulsive flourishes from another autocrat, Winston Churchill. This is not the art that conceals art: Scofield's performance is full of artifice. But it is on the grand scale. It is absolutely serious, searching, intelligent, and wholly riveting.

In National Theatre repertory at the Lyttelton, South Bank, SE1

between these three ageing people is Strindbergian, and is shot through with perceptions that are worthy of Freud.

The play is given here in a new English version by Nicholas Wright. This makes the most of the wit and irony with which Ibsen keeps his seriousness so fresh, and it finely balances the play's *fin-de-siècle* quality against its modernity. It provides opportunities beautifully fulfilled by the supporting actors - brilliantly led by Michael Bryant (as Vilhelm Foddal), Anna Livia Ryan (as his daughter), Oliver Milburn (Erhardt), and Felicity Dean (Mrs Wilton).

Anthony Ward has designed an interior superbly intensified along Expressionist lines, with exaggerated and claustrophobic foreshortening of perspective. Atkins dares to play one climax also in Expressionist style, failing to her knees and clutching her head in a silent scream. Gunhild, who can easily be reduced into a melodramatic villainess, may actually be the hardest role in the play, but, in general, Atkins makes it look the easiest. She plays the bitter, fretful, wife with such assurance that she reveals more wry humour in it that can ever have been found in it before.

She and Redgrave make fascinating sisters; they display the same awful rapaciousness, the same accidental mannerisms, the same occasional tenderness. But where almost every line Atkins utters sounds definitive, Redgrave's line-readings keep sounding surprising. The tricks of laughter, breathlessness, interruptions, tonelessness which she employs are often, moment by moment, bizarre; but the whole is magnificent, an ex-Muse painfully but lyrically revisiting her non-poet. As for Scofield, he has infused his extraordinarily stirring voice with the dull harshness of another latterday grand swindler, Robert Maxwell, and with a few impulsive flourishes from another autocrat, Winston Churchill. This is not the art that conceals art: Scofield's performance is full of artifice. But it is on the grand scale. It is absolutely serious, searching, intelligent, and wholly riveting.

In National Theatre repertory at the Lyttelton, South Bank, SE1

The vogue for dramatic adaptations of classic novels proceeds apace with versions of Austen, Brontë and Stevenson

## Fantasy in the Abbey

tation with a trio of masked figures from her imagination, in which she banishes them and their outrageous foreign accents and resolves to live in the here-and-now, even verges on the cringeeworthy.

For the most part though, Francis shows a sure footing as both an actor and director. Drawing Austen's characters (in particular her supporting cast) broadly enough for the stage can easily result in a gaggle of wittering caricatures, but performances here are pitched uniformly well.

Sarah-Jane Holm as Catherine keeps her girlish enthusiasm this side of breathlessness. James Wallace hits Henry Tilney's dry irony squarely on the nose, and Rebecca Saire captures the wandering eyes and hollow heart of Isabella Thorpe without forfeiting our engagement (unlike her own).

The first act, set in fashionable Bath, is prime Austen, aided by Francis's inclusion of a number of brief narrative passages, which both link scenes and retain the author's gently wry voice. When Catherine journeys to Northanger Abbey with the Tilneys, the deflation of her outlandish imaginings is handled nicely enough for the imaginary figure of Annette, the sinister maid, to feel intrusive.

Francis occasionally loses his touch when putting original words into character's mouths (did Jane Austen really make such liberal use of the adverb "amazingly"?), and cannot disguise that for all her skill at social dissection Miss Austen did tend to lunge indecorously towards perfunctory conclusions to her stories; but all in all the production remains true to the original author's notions of good taste and poise, nodding towards irreverence only when she herself poked elegant jibes at "horrid novels".

Ian Shuttleworth

At Greenwich Theatre, London SE10, until August 17 (0181 888 7755).

**V**ictorian novel takes the narrative correspondence of the 18th century, invigorates it within extravagant gothic sensibility and then turns in on itself to despatch us from the front-line of the tortured soul. Two such works are currently playing in Birmingham: the proto-feminist *Tenant of Wildfell Hall* by Anne Brontë (1848); the "profound duplicity of life" in Robert Louis Stevenson's *Doctor Jekyll and Mr Hyde* (1886).

Dr Jekyll has an insatiable curiosity to delve into the dark recesses of human nature. Brontë's hero, Helen, is forced to flee the insatiable sexual appetites of a self-centred man. Together, we get a portrait of a male code of hypocrisy and moral torpor, which subjugates women to men's willfulness (aka Victorian virtues).

Much is lost in translation. When dramatising novels for the public stage, a theatrical language ought to compensate for the loss of depth in

privately-read fiction. Lisa Evans' version of Brontë is dramatically inert. In filling the dialogue, she also discards the skeleton of narrative tension and the guts of character motivation.

David Edgar, on the other hand, has a go by interpolating sub-plots into Stevenson. But their psychological motivation is reductive: an oppressive, dead father, manifest in a Dorian Gray-like portrait; a one-eyed sister who now lives in Dorsetshire: a maid impregnated by Hyde to whom Jekyll can confess all. They strip away the very subtleties and complexities - "the horror of my other self" - that makes Stevenson's story so integral to our collective psyche.

Anne Brontë infiltrates our conscience. She hopes to "whisper a few wholesome truths" rather than "much soft nonsense". Helen's self-exile in a desolate manor on the edge of society, delights "tea-table" tattlers. She is presumed to have "seen life", to be a fallen woman with a past. She is condemned for the very thing

knowing community admires in a man: the "need to experience life and danger in order to become a man of the world". Brontë is fulsome in her irony.

**S**he also dismisses the sentimental novel, the overblown gothic. Wildfell Hall is not haunted, just dilapidated. In Ruaridh Murchison's design, two huge oil paintings bookend the traverse stage of tattered gilt-edged floor, a Regency *jeu de paume* gone to seed. It is an intelligent *mise en scène* but director Gwenda Hughes fails to take the cue and the production plods along as a series of chapters rather than coherent gripping drama.

Murchison also uses guilt-edged theatricality in *Jekyll and Hyde*: a false proscenium arch glitters above footlights, behind which a murky world of London back-streets reveals austere bachelor drawing-rooms (there is a clever double-revolve). You anticipate a hard melodrama. Bill Alexander's restrained

production does not have the courage of our convictions. While the 1991 RSC production of Edgar's previous *Jekyll and Hyde* curiously had two actors playing ego and alter-ego, David Schofield is now, properly, both: the diffident Edinburgh doctor transforms into a malevolent imp with Gorbal's glee. It is not as vivid a portrait as the frequent references to "penny dreadfuls" would insinuate, but it is a performance of much-needed charisma.

Brontë's Helen is powerfully caught in a commanding performance by Janice McKenzie. Her voice broken by wear and tear, she provocatively espouses radical views on education, on raising children, on marriage. When she is on the verge of being raped by her husband, she protests with dignity: "You have no right" - he replies with a leer: "I have every right". That is the crux. The ideas are challenging, the stories so compelling, the plays so slow-witted - that you find yourself eager to re-read

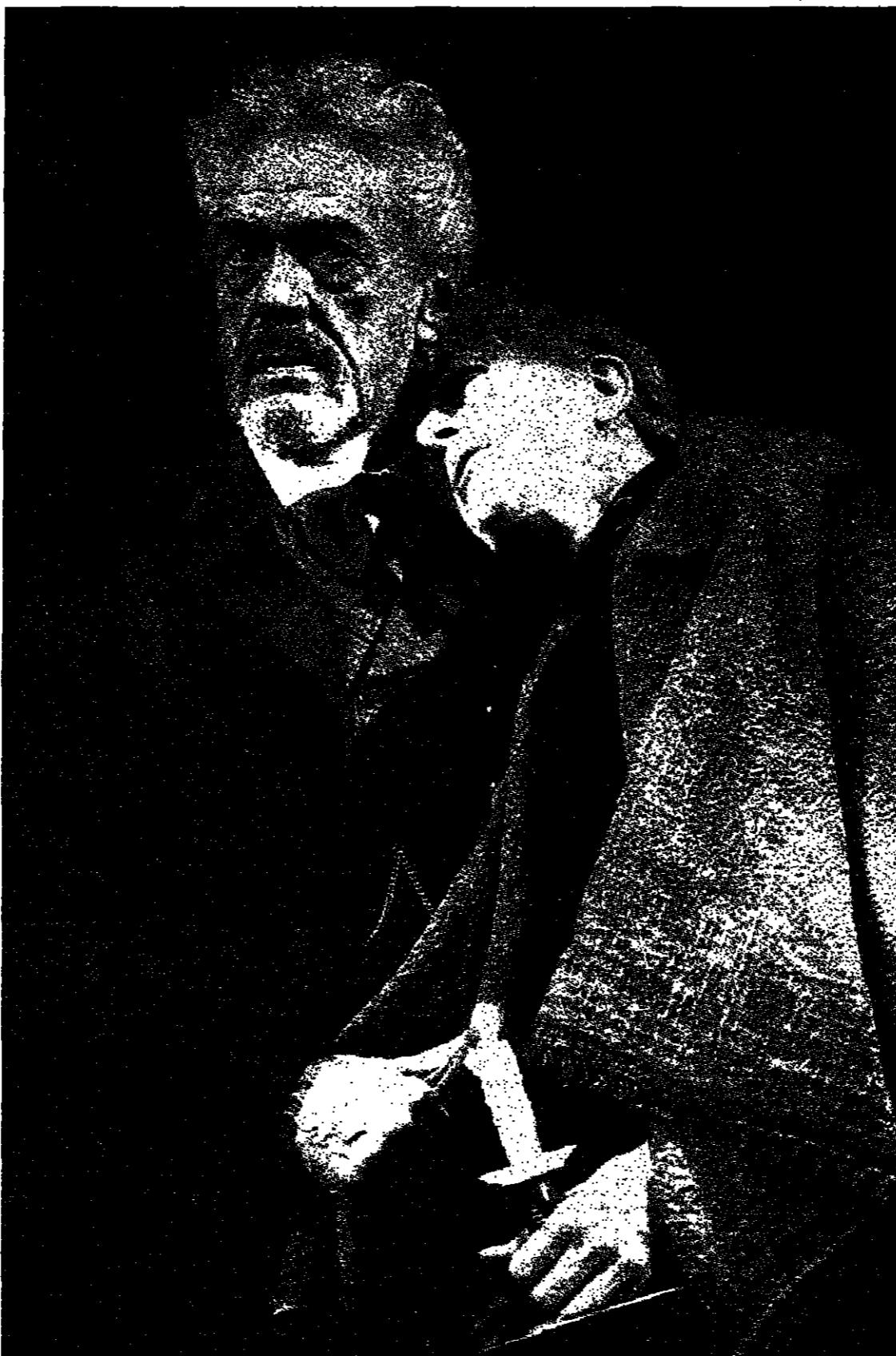
the novels. In failing to give a full-blooded response, theatre has, by default, reaffirmed the potency of literature.

Simon Reade

At the Birmingham Repertory Theatre and Studio until July 20 (0121 236 1525).

**ST. JOSEPH'S HOSPICE**  
MARE ST. LONDON E8 4SA  
(Charity Reg. No. 23222)  
Since 1905 we have shared the grief and eased the pain of countless suffering souls. Last year alone 300 found peace with the help of your vital gifts. Most of them died of cancer - but so serenely that you would hardly know. Your concern is as encouraging as your generosity and we thank you for your inspiring trust.

Sister Superior:



Alastair Macaulay

## Dance to the future

**T**he ballet of the Paris Opéra is grand and glorious - there is no more polished, more richly gifted ensemble in Europe today. It was not always thus. Even 25 years ago, the girls seemed clouded by mannerisms, the out-dated system of rank within the ensemble, and fearful snobberies which meant that the upper echelons could object to dancing with artists of lower degree.

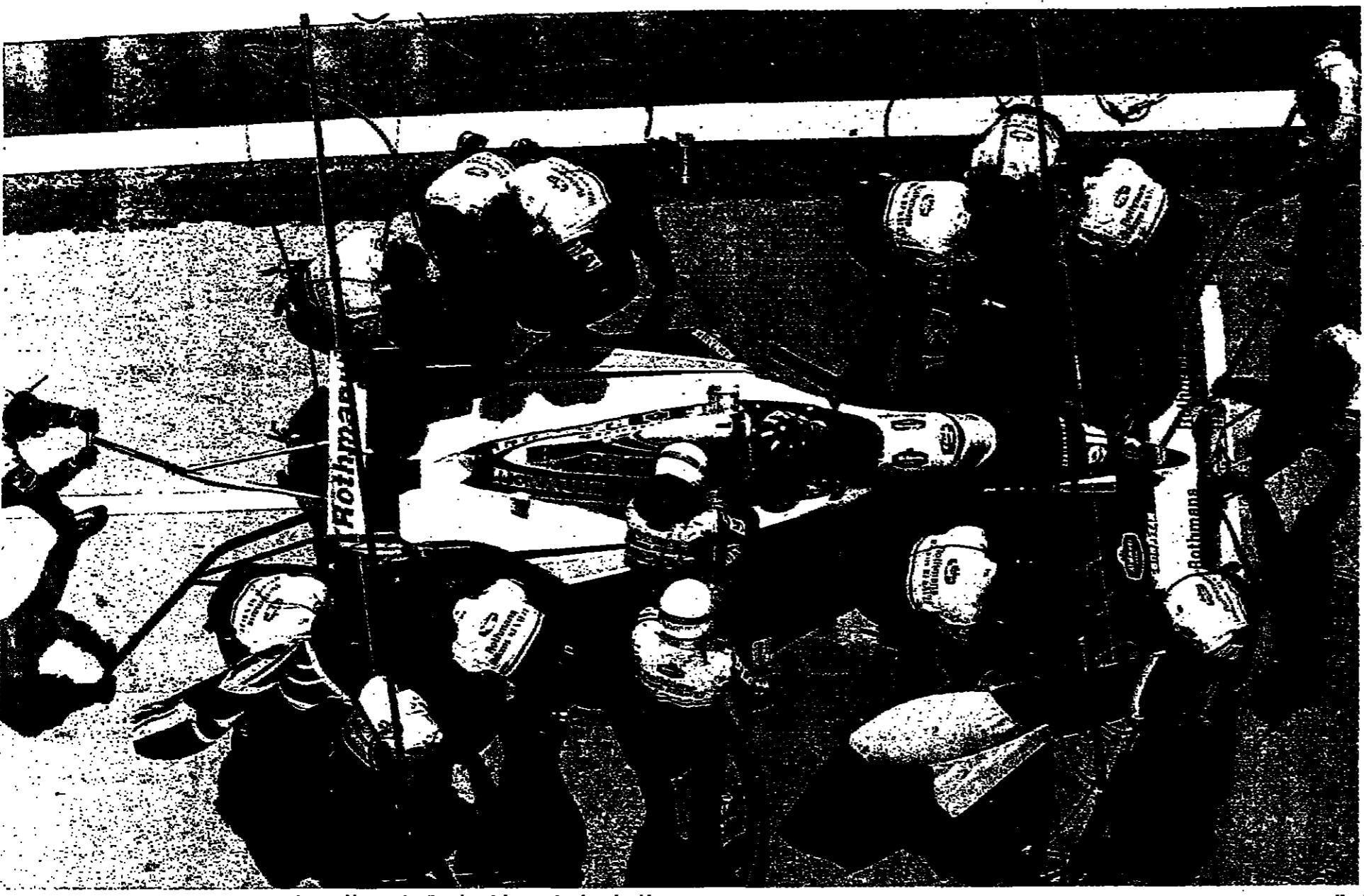
It was Rudolf Nureyev who galvanised the troupe, and determined that rank meant less than talent. Even today, promotion through the company depends upon examinations, with performance of bravura excerpts from the repertory. But the spirit seems different, and the proud basis of schooling has - thanks to the work of Mme Claude Bessy, the school's director - given an added liveliness and elation to the youngest artists.

With the Nureyev regime, there came a welcome chance each year for young hopefuls in the troupe to show their paces. These evenings of *Jeunes Danseurs* continue as an occasion for talent-spotting, and splendid concentration - its artisiticism is so potent because so controlled in Balanchine's steps - by Beatrice Marth and Stéphanie Phavorin, both of whom surely have splendid futures. In *Density 21.5*, a trumpery solo by Carolyn Carlson which I suspect shows a woman trying to remember where the hell she put the car keys, Céline Talon rose above every stupid action and revealed a fascinating physical personality: waif-like beauty, ravishing arms, pure line. (I imagined her as Giselle). And to close the programme *Amis*, Jacques Garvier's reminiscence about boyhood games with his brothers in La Rochelle. Two accordions; Jean-François Crétiaux, Cyril Fleury, and Alexis Saranté dancing and leaping and looking splendid.

Not the greatest of evenings for choreography, maybe, but rich in dance pleasures, and proof were proof still needed of the qualities of the Opéra's ensemble and of the teaching in its school.

Clement Crisp

## SPORT



Damon Hill and his dedicated and talented team: few would argue that they do not deserve the championship

AP/WIDEWORLD

## Motor Racing

## Why Hill deserves to win

John Griffiths hopes that Ferrari will give the Williams team a run for its money – at last

**O**n Wednesday I should have been sharing a lunchtime lettuce leaf and honey-sweetened coffee with Michael Schumacher in London. Instead, our small but ridiculously fast reigning world champion was still in Italy, carrying out yet more last-minute testing before this weekend's British grand prix at Silverstone.

Desperation? Fury? Anguish?

All spring to mind as likely descriptions for Schumacher's private state of mind, in spite of reassuring statements still made – through increasingly tight lips – in public.

For what can be said about one of the world's so-called foremost grand prix cars expiring, as it did last month, on the warm-up lap even before the French grand prix could start?

Just one more "unexpected" failure to cap a string of component failures and other under-performances stretching back over this and other seasons – and thus far in 1996 rescued only spasmodically by the speed and dedication of the young German being paid \$2m as pilot.

It is now increasingly difficult to avoid asking if there has been any grand prix team which has managed to live so long on past glories and been indulged for so long by devoted supporters.

I suppose Team Lotus fitted the bill – but it was cash-starved to a degree incomprehensible to the over-populated

Ferrari corridors of Maranello, and has in any case paid the penalty in that it no longer exists. It is a great irony that, in the wake of the French grand prix debacle, it should be Jean Todt, Ferrari's immensely capable French team manager, who is pilloried by the Italian Press and offering to fall on his sword, and not the invisible legion of private agenda-setters at Ferrari and its parent Fiat.

When Gianni Agnelli, the former Fiat chairman and Lucio di Montezemolo, the Ferrari boss, attend Silverstone in a public and typically political show of solidarity this weekend, it can only be with private misgivings. For Ferrari's grand

song efforts are in danger of being seen as an allegory of Italy's motor industry.

For each failure there is an explanation. This time around, the problem turned out to be a batch of faulty pistons: a "one-off". And yet other "one-off" problems still occur, each with its identifiable cause, yet each successively putting a winning performance tantalisingly out of reach. Money is not a problem; yet performances remain slightly wide of the mark and inconsistent.

Last week testing at Monza, there was another engine and a drive-shaft failure. At the French grand prix, almost

while Schumacher was walking back to the pits, the French

race barely five laps old, his team-mate Eddie Irvine was retiring with gearbox failure. In Canada, it was a broken driveshaft (Schumacher) and broken suspension (Irvine). The list goes on.

Only the most uncharitable

would refuse to acknowledge that grands prix are desperately difficult to win; even more so to win consistently. Ask Renault. The full might of the Regal was brought to bear on winning the world championship in the 1970s and early 1980s, with only limited success.

The world has since moved on. Computer-aided design, engineering and manufacture, computational fluid dynamics

and a host of other enabling technologies, coupled with quality-enhancing work processes seeping in from Japan, have made motor racing components more reliable, even at the 16,000rpm or so at which a Formula One engine works.

Every team still has its failures. But in overall terms, given Ferrari's extraordinary heritage and status as an Italian automotive icon, current engineering performance is sadly lacking.

Never mind that it may have been an outside component maker's workmanship at fault; grands prix success now demands mastery not just of in-house design and engineering but the complete supply

chain and all its associated processes.

Big manufacturers such as Ford, Renault, Peugeot, Mercedes and, yes, Fiat, are in grand prix for the effect it should have on the marketing and promotion of the showroom models bought by millions. If this is the best that Ferrari can achieve what, consumers may well increasingly ask, does it say about the state of the rest of Italy's industrial culture?

In hiring Schumacher, and in spite of the anti-Todt tirades of the Italian Press and *l'Espresso*, Ferrari has time-limited its own credibility. This time around, the old Maranello adage that if Ferrari wins it is the car, and if it loses it is the driver, simply will not wash.

Today Schumacher, still trying valiantly to inject some of his own cool sense of direction into the team, has a credibility

greater than Ferrari's.

I have a hope. It is that this weekend, on the broad sweeps of Silverstone, Schumacher's Ferrari will hold together and give Damon Hill and his championship-leading Rothmans Williams-Renault the hardest race of his life – simply because grand prix needs the spectacle.

For Hill and the calm, dedicated and immensely talented engineers who comprise the Williams team, however, this year's world championship title is now clearly in sight. Few would argue that they do not deserve it.

Keith Wheatley

## Songwriter sets a tragic Ferrari legend to music

Pop star Chris Rea is sipping coffee outside the Jordan Grand Prix motor home. The banishes wall of a V10 engine on bench-test almost drowns his words. "I'm obsessed by motor racing the way I am about music," explains Rea, as a few paddock autograph-hunters begin to gather.

The singer-songwriter has sold 20m albums worldwide and has a passion for Ferraris. He has spent more than £1m of his own money on producing a film *La Passione* featuring his music, the "shark-nose" Ferrari 156s of the late 1980s and the tragic story of German driver Count Wolfgang von Trips.

Much of the inspiration is autobiographical. Rea's father was Italian, earning a living as an emigrant ice-cream maker in the north-east of England. One thing he took with him was a passion for Ferraris.

Chris Rea was seven when his family went to the French Grand Prix at Reims in 1958.

Reps of Miles Hawthorn

winning in his Ferrari still fill Rea's memory. Von Trips came third. "This all reaches far, far deeper than simply cars going round a track. It's about

romanticism, red cars and Italian families."

Three years later, Chris Rea

was at home in Middlesbrough, in front of a small television watching the Monaco grand prix. "It's such a vivid memory," he says. "One of the drivers was called Wolfgang von Trips. He seemed incredible to me. Looked like Darth Vader, lived in a castle, and drove a red Ferrari. What an image for a little boy to carry in his head."

Rea can still recall the sunny afternoon some months later when he learned of von Trips' death. The German count was about to confirm his victory in the 1961 world championship when he clipped Jim Clark's Lotus during the Italian grand prix. The Ferrari ploughed

through the grandstand, killing

14 spectators, before throwing the driver from the cockpit.

As no examples of the "shark-nose" Ferrari have survived, Rea had to build his own replicas for the film. No technical drawings were available from Ferrari so the 156 was re-constructed from photographs. It represented about 2,000 hours in the workshop. Rea drove the replica once, at Goodwood, but says he was terrified of damaging it prior to filming.

He expects an autumn release for his film, which has found backing from Warner Bros.

Keith Wheatley

## Cricket

## Howzzat? Well, rather loud, actually

Teresa McLean looks back on the history of over-appealing players

**T**he Lord's Test match included some dull sessions in which the only vigorous element seemed to be the appealing. Dominic Cork has found enough descriptions of his exuberant manner of appealing to decide that it is worth exploiting.

If nothing else can attract attention, there is always the long and loud appeal, preferably when there is no cause to make one.

By the end of the Lord's Test, I was embarrassed on Cork's behalf because he was playing up to the "outrageous appeals" image so much. With the help of media voyeurism, cricket appeals have become a sport form with their own public interest, particularly if the bowler's accompanying provides few other items of interest. But, to be fair, they have also been known as a way for "character players" and stars to make the most of their influence.

Dennis Lillee's cut-throat appeals in the 1970s were an example of this age-old practice. Back in the 1830s and 1840s, Alfred Mynn, the Lion of Kent, showed how much he despised the new lbw means of dismissing batsmen by declining to appeal for lbw, preferring to annihilate the stumps.

Every so often Mynn did feel tired enough to resort to lbw and then he appeals, not just because of his 18 stone bulk and the overpowering nature of his shouts, but also because of the respect bordering on reverence, in which players and umpires held him.

For half a century, lbw made a fine show-ground for high-powered appeals in the Mynn mode. By the late 19th century, W.G. Grace had become famous for his appeals as well as his shots, in an age when it had become normal for almost all the fielders to appeal for caught behind.

The advice which John Lillywhite gave to wicket-keepers in 1866, one generation before Grace and his companions made appealing a co-operative enterprise, sounded like a voice from the romantic past.

"Do not ask the umpire unless you think the batsman is out; it is not cricket to keep asking the umpire questions." But it was already common practice in cricket, which meant that umpires wanting to stay in control of the game had to resist all sorts of pressure on as well as off the field.

The unusual thing about Grace's shamelessly aggressive appealing

was that it sometimes extended to appealing when he was batting. In 1875 he was clean bowled when bat for the Gentlemen against the Players at the Prince's ground, but appealed against the decision, first hopefully, then impishly, to both umpires, who refused to declare him not out, citing as evidence the balls and stumps lying on the grass.

**M**odern umpires of first-class cricket are unlikely to be faced with that level of personal pressure, not even Brian Lara, described to me by a West Indian cricket fan recently as "a god in the islands, playing in front of his worshippers", has yet been known to appeal against being bowled. But massed appealing is a common hazard of the contemporary game, not just in search of a caught-behind decision, as in days of old, but in search of any possible decision against the batsman.

After the second Test, Indian batsmen sharpened their batting against British Universities' bowling at Femers and Indian fielders set about broadening their appeal in all circumstances.

Wicket-keeper Nayan Mongia played a vital part in the lively leg-

spinner Narendra Hirwani's six-wicket haul when the Universities went out to bat. Robin Martin-Jenkins, one victim, took the attacking approach and was stumped by Mongia, with lightning speed and deafening but understandable appeals.

The Universities' captain, Russell Cake, Hirwani's first victim, had been well caught by Vilank Rathore, some distance away from Mongia but accompanied by his deafening, ill-placed appeals. Appeals in that game struck me as war-cries as much as requests.

This kind of contemporary appeal can now be held up for public analysis through instant playbacks on giant screens, showing deliveries, shots, fielders' actions and umpires' decisions, although in this respect the modern age has so far left England behind.

The Test and County Cricket Board was proud to announce, however, that all five English Test grounds this year will be using these giant screens. Umpire Dickie Bird is one who has no doubt that umpires must welcome this and every other kind of modern mechanical equipment as means of vindicating their decisions, rather than fearing them as means of casting

doubt. He confidently gave an example of a personal favourite.

"I like my light meteors because they give visible support to an umpire's decision to come off, which is not usually popular with the crowd."

The problem now is knowing when umpires at well-equipped grounds cannot make a decision without the help of mechanical equipment, as with the run-out replay system on screen, and when they only need to call on that sort of help if they feel uncertain.

It would not be surprising if the next step is for umpires to have to look at replays before giving any decisions. One step makes the next. If decisions need replays first, then appeals too could be said to need replays first, to make sure they are worth making. That would use a fair amount of time.

Technology has an expert capacity for slowing down simple tasks. Watching the English and Indian teams alternating between choral and solo performances of pointless appeals reminds me of the usefulness of the fine for bowling two few overs in a day. Cricket being in many ways the primitive contest it is, it may take a half-empty pocket to keep players quiet.



I think that may be out, umpire: the appealing Dominic Cork

## Golf

# Americans face the Lytham jinx

Derek Lawrenson looks at the Open Championship's odd statistics

**Q**uite where the Open Championship stands in this so-called summer of sport clearly depends upon one's love or otherwise of the Royal and Ancient game. What is less open to dispute is its position as the season's great bargain.

Unlike Euro '96, no swathes of empty seats will greet the competitors because prices are too high; unlike Wimbledon, no ticket tout will make a fortune from desperate hobbyists.

The Open has never been all-ticket, which makes it unique among the biggest events in world sport. It does not need to be because it takes place over a vast acreage. How much spectators get to see of the players of their choice, of course, depends upon their eagerness to march over hill and down valley in pursuit. The opportunity is there.

Alternatively one can sit in one of the many grandstands and watch golf every day from 7.15am to approximately 3.30pm. At £22 for adults, £11 for senior citizens, and £8 for juniors, the Open represents marvellous value.

Nevertheless, Birchcough has the most remarkable statistic of all. To put it in perspective, each of the 15 Opens held between 1969 and 1983 was won by an American, apart from the three at

Lytham.

Why? The Lytham professional, Eddie Birchcough, has his theory: "It has always been what I would term a fast-running course, much more than the other Open venues. The fairways are hard, which calls for a lot of imagination when playing shots to the greens. It is a form of golf which suits those who are used to it and the Americans are not."

Nevertheless, Birchcough believes the American left-hander Phil Mickelson has an excellent chance of ending this 70-year difficulty next

Each Open held between 1969 and 1983 was won by an American, apart from the three at Lytham

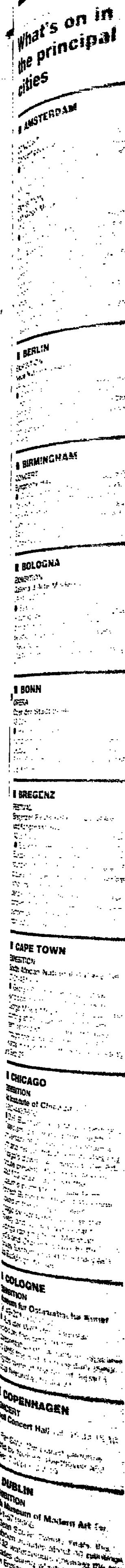
week. This is because Lytham offers a considerable advantage to those who hit the ball as he does, from left to right off the tee.

For the same reason he favours Colin Montgomerie: "provided he can control himself as well as he controls a golf ball". Indeed, there is not much dispute that from tee to green Montgomerie is now the best player in the world.

But temperament and putting are essential to winning the Open, which perhaps explains why the volatile Montgomerie has a poor record in golf's main event, with three missed cuts and one top 10 finish in six showings.

This Open will see Jack Nicklaus extend his record of appearances in successive major championships dating back to 1963; Gary Player, the winner at Lytham in 1974, will be playing in his 42nd consecutive Open. By contrast, the Spaniard Sergio Garcia will be the youngest participant since Ronan Rafferty in 1980.

Nicklaus, incidentally, is 56, and Garcia 16. Long and painful experience has taught me not to get into the business of tipping winners but I am happy to predict that the champion will be someone aged roughly halfway between the two.



## INTERNATIONAL ARTS GUIDE

Americans face the than jinx

## What's on in the principal cities

## ■ AMSTERDAM

**CONCERT**  
Concertgebouw Tel: 31-20-5730573  
● Maria João Pires, Augustin Dumay and Jian Wang: the pianist, violinist and cellist perform works by Schubert; 8.15pm; Jul 14

**EXHIBITION**

Van Gogh Museum Tel: 31-20-5705200  
● Van Gogh drawings, part I: each summer for the next four years the Van Gogh Museum will publish a volume of the catalogue of its collection of Van Gogh drawings. To mark each publication, a summer exhibition will be held. The first exhibition is devoted to the period from 1880 to 1893. It also pays considerable attention to Van Gogh's drawing techniques; to Sep 15

## ■ BERLIN

**EXHIBITION**

Neue Nationalgalerie Tel: 49-30-2662862  
● Georg Baselitz: large retrospective exhibition devoted to the work of Georg Baselitz. The display includes some 100 paintings and 10 sculptures from European and American collections; to Sep 29

## ■ BIRMINGHAM

**CONCERT**  
Symphony Hall Tel: 44-121-2002000  
● Grand Classical Gala: the London Concert Orchestra with conductor Paul Wynne-Griffiths and pianist John Lenehan perform works by Rossini, Sibelius, Elgar, Grieg and Tchaikovsky; 7.30pm; Jul 20

## ■ BOLOGNA

**EXHIBITION**  
Galleria d'Arte Moderna Tel: 39-51-5025959  
● Sean Scully: solo exhibition featuring about 30 paintings executed during the last 15 years and a selection of pieces from the early 1990s documenting the intact vitality of Sean Scully's work; to Sep 1

## ■ BONN

**OPERA**  
Oper der Stadt Bonn Tel: 49-228-7281  
● Hänsel und Gretel: by Humperdinck. Conducted by Shuji Okatsu and performed by the Oper Bonn. Soloists include McCalla, Georg O'Keeffe and John Singer Sargent; to Jul 15

## ■ BREGENZ

**FESTIVAL**  
Bregenzer Festspiele - Festspiel und Kongresshaus Tel: 43-5574-4920  
● Bregenzer Festspiele: one of Europe's leading opera festivals, founded in 1956. Main events take place at the open-air lakeside theatre, which can seat more than 4,000 people. This year, the theatre on the borders of the Bodensee will feature performances of Beethoven's *Fidelio*; from Jul 20 to Aug 24

## ■ CAPE TOWN

**EXHIBITION**  
South African National Gallery Tel: 27-21-451628  
● George Pemba Retrospective: exhibition devoted to the work of George Milwa Mnyalulu Pemba. Still painting at the age of 83, he has seen, recorded, lived and worked through the dramatic tapestry of events in recent South African history; to Sep 28

## ■ CHICAGO

**EXHIBITION**  
Art Institute of Chicago Tel: 1-312-4435600  
● D.H. Burnham and Mid-American Classicism: celebrating the 150th anniversary of Daniel H. Burnham's birth and his contributions in shaping Chicago's downtown district, the Art Institute presents this exhibition of about 100 drawings from the museum's permanent collections. Architect Burnham (1846-1912) was involved in the design of early Chicago skyscrapers such as the Rookery and several significant buildings ranging from Marshall Field's and Orchestra Hall to the Railway Exchange and the People's Gas Building; to Sep 2

## ■ COLOGNE

**EXHIBITION**  
Museum für Ostasiatische Kunst Tel: 49-221-9405180  
● Aus der Welt des Samurai: exhibition focusing on the representation of samurai in Japanese art. Until the mid-19th century these knights were at the top of Japan's social hierarchy; to Jul 21

## ■ COPENHAGEN

**CONCERT**  
Tivoli Concert Hall Tel: 45-33 15 10 01  
● Per Seø: the pianist performs works by Nielsen, Beethoven and Ravel; 7.30pm; Jul 19

## ■ DUBLIN

**EXHIBITION**  
The Museum of Modern Art Tel: 353-1-6718666  
● Sean Scully: Twenty Years: this exhibition includes about 30 paintings and 32 watercolours covering the two decades during which Scully moved from England to the US, obtained American citizenship and established himself as a pivotal figure in post-war



Detail from Edvard Munch's 'The Sick Child', on show in Oslo

abstract painting. Several of the works are drawn from the artist's own collection; to Aug 25

## ■ DUSSELDORF

**EXHIBITION**  
Kunstmuseum im Ehrenhof Tel: 49-211-8992450  
● Otto Pieme - Retrospective: retrospective exhibition devoted to the work of the German artist Otto Pieme (b. 1928). The display gives an overview of the diverse aspects of his work, in which the themes of light and fire play an important role. The show includes paintings, drawings, sculptures and installations - large sculptures filled with helium; to Aug 11

## ■ EDINBURGH

**EXHIBITION**  
National Gallery of Scotland Tel: 44-131-5588291  
● Awash in Colour: Great American Watercolours from the Museum of Fine Arts, Boston; this exhibition presents a collection of over 50 watercolours, selected from the holdings of the Museum of Fine Arts in Boston. The display includes works by Winslow Homer, Edward Hopper, Georgia O'Keeffe and John Singer Sargent; to Jul 14

## ■ FLORENCE

**OPERA**  
Teatro Comunale Tel: 39-55-211158  
● Orchestra e Coro del Maggio Musicale Fiorentino: with conductor Bruno Rigacci perform Mascagni's Cavalleria Rusticana and Zanetto. Soloists include Gregorian, Mamoru and Salvador; 8.30pm; Jul 20

## ■ GENEVA

**EXHIBITION**  
Petit Palais Musée d'Art Moderne Tel: 41-22-3461433  
● Les Nouveaux Impressionnistes: exhibition of some 70 works from the neo-impressionist collection of the Petit Palais. The display includes works by artists such as Albert Dubois-Pillet, Maximilien Luce, Charles Angrand, Van Rysselberghe, Van de Velde, A.J. Heymans, Henri Martin, Pietro Mengarini, Signac, Gauguin, Lautrec and H. Pétietje; to Sep 30

## ■ GLASGOW

**AUCTION**  
Christie's Scotland Tel: 44-141-3328134  
● Early Golfing Equipment and Memorabilia; 11am, Jul 15

## ■ HELSINKI

**EXHIBITION**  
The Museum of Foreign Art, Sinebrychoff Tel: 358-0-17336380  
● Views of Rome and Venice, Italian 16th Century Landscapes and Veduta Paintings: exhibition of townscapes and landscapes by Venetian and Roman veduta (view) painters. The display comprises more than 30 works by 16th century Italian veduta painters including Canaletto, the Venetian vedutisti, and Pannini, the most famous painter of Roman views. The exhibition is organised in collaboration with l'Istituto Italiano di Cultura and the Walpole Gallery; to Jul 29

## ■ HONG KONG

**CONCERT**  
Concert Hall/HKCC Tel: 852-22734280  
● Passion of Dizi and Erhu: concert by the Hong Kong Chinese Orchestra with soloists Zhao Song Ting and Wong On Yuen; 8pm; Jul 19, 20

## ■ INDIANAPOLIS

**EXHIBITION**  
Indianapolis Museum of Art Tel: 317-232-1331

● The World of Kuniyoshi: the exhibition includes Japanese wood block prints known as ukiyo-e. They were created by Utagawa Kuniyoshi (1760-1840), who is regarded as the greatest ukiyo-e artist of his time. The prints represent about 50 years of his career; to Jul 14

## ■ LIVERPOOL

**EXHIBITION**  
Tate Gallery Liverpool Tel: 44-151-7053223  
● Home and Away: Internationalism and British Art 1900-1950: this display from the Tate's collection of British art ranges across the century looking at how artistic developments

National Gallery of Victoria Tel: 61-3-92080222  
● JMW Turner: exhibition of about 60 paintings and watercolours by the English landscape painter Joseph Mallord William Turner (1775-1851). The exhibits come from European and American museums and private collections, including the collections of the Tate Gallery and the National Gallery in London; to Sep 10

National Gallery of Victoria Tel: 61-3-92080222  
● Albrecht Dürer: exhibition of about 60 paintings and watercolours by the German landscape painter Joseph Mallord William Turner (1775-1851). The exhibits come from European and American museums and private collections, including the collections of the Tate Gallery and the National Gallery in London; to Sep 10

National Gallery of Victoria Tel: 61-3-92080222  
● The Treasure of Troy: exhibition of some 260 gold and silver objects, excavated by the German archaeologist Heinrich Schliemann in Turkey in 1873. It was Schliemann's belief that these objects, including diadems, rings, necklaces and goblets, once belonged to the Trojan king Priam, but later research has proved this to be untrue. The finds were brought from Berlin to Russia by the Red Army at the end of the second world war; to Apr 1997

National Gallery of Victoria Tel: 61-3-92080222  
● Victor Borge: performance by the Danish pianist and entertainer; 8pm; Jul 21

National Gallery of Victoria Tel: 61-3-92080222  
● Stabat Mater: by Pergolesi. Performed by the Royal Swedish Chamber Orchestra with conductor Mats Liljeblad, mezzo-soprano Doris Lloyd and soprano Lisa Larsson; 7.30pm; Jul 21

National Gallery of Victoria Tel: 61-3-92080222  
● STOCKHOLM

**CONCERT**  
The Royal Palace Tel: 46-8-102247

● Stabat Mater: by Pergolesi.

Performed by the Royal Swedish Chamber Orchestra with conductor Mats Liljeblad, mezzo-soprano Doris Lloyd and soprano Lisa Larsson; 7.30pm; Jul 21

National Gallery of Victoria Tel: 61-3-92080222  
● SYDNEY

**CONCERT**  
Art Gallery of New South Wales Tel: 02-8521700

● Kandinsky and the Russian Avant Garde: major exhibition charting the rise and fall of modernism in Russia. The display includes works by artists such as Kandinsky, Malevich, Rodchenko, Goncharova and Popova. Many of the works have rarely been seen before since they are drawn from museums throughout the former Soviet Union, from Omsk, Astrakhan, Nizhny Novgorod and beyond. In many cases they were hidden from view because Russia's adventure with modern art was despised and banned by later Soviet ideologues; to Aug 18

National Gallery of Victoria Tel: 61-3-92080222  
● THEATRE

Drama Theatre, Opera Theatre, Playhouse Tel: 61-2-250-7127

● The Life of Galileo: by Brecht (in English). Directed by Richard Wherrett and performed by the Sydney Theatre Company. The cast includes John Howard; 8pm; Jul 14, 15 (also 2pm), 17

National Gallery of Victoria Tel: 61-3-92080222  
● NANTES

**EXHIBITION**  
Musée des Beaux-Arts de Nantes Tel: 33-40 47 85 65

● Henry Moore - L'Expression

première, dessins, peintures et tapisseries directe: retrospective exhibition devoted to the British sculptor Henry Moore (1898-1988). The display features 120 works created between 1921 and 1982, including 40 drawings and 80 sculptures. After the showing in Nantes the exhibition travels to Mannheim; to Sep 2

National Gallery of Victoria Tel: 61-3-92080222  
● NEW YORK

**CONCERT**  
Avery Fisher Hall Tel: 212-875-5030

● Christian Zacharias: the pianist performs works by Mozart and J.S. Bach. Part of the Mostly Mozart Festival; 7pm; Jul 19

● Time Warner Concerts in the Parks: The New York Philharmonic with conductor Eiji Oue perform works by Mussorgsky, Stravinsky, R. Strauss and Respighi in Central Park. Manhattan; 8pm; Jul 16

National Gallery of Victoria Tel: 61-3-92080222  
● EXHIBITION

The Metropolitan Museum of Art Tel: 212-879-5500

● Winslow Homer: retrospective exhibition featuring about 180 paintings, watercolours and drawings by the 19th century American painter. The display, giving an overview of Homer's work in more than 20 years, is organised chronologically in thematic groupings that include depictions of the Civil War, genre scenes celebrating rural America in the 1870s, heroic images of seaside life, seascapes of Prout's Neck, Maine, where the artist settled in 1883, and the tragic painting from his final years; to Sep 22

National Gallery of Victoria Tel: 61-3-92080222  
● OPERA

Royal Opera House - Covent Garden Tel: 44-171-2122824

● La Traviata: by Verdi. Conducted by Simon Rattle and performed by the Royal Opera. Soloists include Angela Gheorghiu, Leah-Marija Jones, Roberto Alagna and Robin Leggatt. Part of the Verdi Festival '96; 7pm; Jul 15, 16

National Gallery of Victoria Tel: 61-3-92080222  
● POP-MUSIC

Wembley Stadium, Arena and Conference Centre Tel: 44-181-9001234

● Enya: performance by the American singer; 4pm; Jul 20, 21

National Gallery of Victoria Tel: 61-3-92080222  
● OPERA

Royal Opera House - Covent Garden Tel: 44-171-2122824

● La Traviata: by Verdi. Conducted by Simon Rattle and performed by the Royal Opera. Soloists include Angela Gheorghiu, Leah-Marija Jones, Roberto Alagna and Robin Leggatt. Part of the Verdi Festival '96; 7pm; Jul 15, 16

National Gallery of Victoria Tel: 61-3-92080222  
● THE HAGUE

**JAZZ & BLUES**

Nederlands Congresgebouw Tel: 31-70-3502034

● B.B. King: performance by the American blues singer and guitarist at the Stadhuis. Part of the North Sea Jazz Festival; 5.30pm; Jul 14

National Gallery of Victoria Tel: 61-3-92080222  
● Herbie Hancock: performance by the American jazz pianist at the PWA Zaal. Part of the North Sea Jazz Festival; 7.30pm; Jul 14

National Gallery of Victoria Tel: 61-3-92080222  
● TOKYO

**CONCERT**

Suntory Hall Tel: 81-3-35751001

● Maxim Vengerov and Itamar Golan: the violinist and pianist perform Mozart's Violin Sonata No.34 in B flat; 2pm; Jul 14

National Gallery of Victoria Tel: 61-3-92080222  
● POP-MUSIC

Kokusai Tenjijo Selmon-mae Stadium Tel: 81-3-58399911

● Diana Ross: performance by the American singer; 8pm; Jul 13, 14

National Gallery of Victoria Tel: 61-3-92080222  
● VERONA

**OPERA**

Arena di Verona Tel: 39-45-590109/596726

● Carmen: by Bizet. Performed by the Orchestra e Coro dell'Arena di Verona with conductor Daniel Oren. Soloists include Beatrice Uri, Monzon, Alida Ferrarini, Sergej Larin (Jul 14), Nelli Shiroff (Jul 19) and Gregg Baker; 9.15pm; Jul 14, 19, 20, 21

National Gallery of Victoria Tel: 61-3-92080222  
● VIENNA

Listening to a good and high-minded man getting bogged down in public is always painful. All the more so when he is a friend and an archbishop. Perhaps it was not the shrewdest of moves to launch a moral crusade on the *Today* programme on BBC radio just a day after intervening, ineffectively, between two contumacious clerics in Lincoln. It seemed inexplicable for Dr George Carey, the archbishop of Canterbury, who really believes there are absolutes, not to be able to give a straight answer to the question "Do you think adultery is wrong?" Particularly when shortly afterwards he went on to re-promote the Ten Commandments.

Of course I can see why. The next question in line is: So what about Prince Charles, Your Grace? And the one after that: Could you crown him? (A lot of people would like to.) But that vignette highlights the peculiar complexity of the debate about morality - and whatever we may think of his contribution, I am

glad that the archbishop has started the public debate again.

But it is a morass. Yes, there was a time when the behavioural norms of a traditional Christian value system were widely accepted and enforced by social pressures to conform. How hypocritical was it?

All that has gone. And for good.

The central island of a community of shared values has been eroded by remorseless tides and winds and split up into stolls linked only by outcrops from the same continental shelf. It is the moral equivalent of global warming.

Some of the tides and winds can be named. The moral consequences of Thatcherism and the market ideologues (the sanctification of greed) have still to be fully catalogued, but the erosion of a sense of

community responsibility is certainly one.

Post-modernism has swept through colleges and universities and is well entrenched in the teaching profession. Absolutes are denied and all judgments relativised. Morals have effectively been privatised. Religious leaders seem not to have noticed. In England we are a post-Christian society, radically secularised.

There are many other faith communities in the UK and the traditional mainstream denominations of Christianity have a diminishing hold on the corporate conscience.

Poverty and unemployment have delivered swathes of our society of any investment in its stability. Immature parenting is producing a generation of disturbed and unsociable children. Schools and teachers are treated despicably and publicly rubbished. No wonder things fall apart. But, most interesting of all, people are beginning to think for themselves. That is radically subversive of any archiepiscopal moral crusade. Yes, people do want a moral lead, but it must be much more nuanced and reflective than the grand simplicities of "return to traditional values".

I had a go at it myself recently.

There's cheek. It turns out to be much trickier than you might think.

A colleague and I fall - as is the wont of clergy - to pondering the Ten Commandments. They contain profound ethical principles.

But as they stand they do not and

cannot serve the function for our society that they once held for a

tribe of nomads in the Middle East in 1200BC. Apart from anything else there are no sanctions to enforce them except episcopal or parliamentary exhortations. Neither carry much moral clout. Nor do claims for "Holy Scripture".

So we asked ourselves - suppose we were to write a new Ten Commandments for a school community. What would they be? Would they be different for a primary school from those offered to a university college? Or will one set

suffice for everyone? They need to be succinct and laudatory - not in the sense of rules graven in granite but sharp and pithy like Latin inscriptions.

They must be norms which

everyone of goodwill can own, atheist, agnostic, Jew, Moslem or Christian or new age gnostic. We kick

and amicably for 40 miles. These are some of the phrases we tried out:

Be true to the trust given to you.

Treat others as you would have them treat you.

Be urgent for justice and fair play for others.

Put the welfare of the community before your own; respect its rules and laws; work together to build it up.

Protect the weak, succour the poor, respect the aged, welcome strangers; be compassionate to all.

Treat life and time as precious gifts; strive to use all your gifts and talents to the utmost.

Speak the truth, deal honestly, keep your word, be faithful to your friends and family.

No doubt every reader could make improvements to what we agreed was a banal list. (Postcards welcome.) But we were also agreed that the time for rules is past.

Rules simply do not work. There are times when adultery under the name of a second love, when a first love is dead, is a gift of new life and joy to barren hearts which no commandment, human or divine, should want to ban. I would like to know how that would stand up in a moral crusade.

I would be happy to nail it to my mast; but others will want to tear it down. But more urgently: what is the engine which could drive a moral renewal in a community which has lost the mainspring of a dynamic religious faith?



Mark Purdey: lanky, amiable and has his own theory about mad cow disease

George Phillips

**H**e has been addressed as "doctor", even as "professor". The former public schoolboy whose rival explanation for Britain's mad cow epidemic has made him the *bête noire* of the Ministry of Agriculture is actually neither.

Mark Purdey is a lanky, amiable organic farmer. He lives with his second wife, Margaret, and their five young children in a small converted barn under an oak tree on the edge of Exmoor.

When he is not tending his herd of 40 Jersey cows on the 60-acre farm, or playing modern jazz on the saxophone, Purdey is upstairs reading scientific research papers and dealing with correspondence from all over the world.

He is a biochemist in wellies, largely self-taught. He is convinced that bovine spongiform encephalopathy (BSE) was caused not by a virus from cattle feed made from offal and contaminated with scrapie, as the Ministry insists, but by an insecticide which farmers poured on their cows in high doses to eradicate warble fly.

The men from the ministry, who are up to their own wellies in silage because of the British beef scare, have tried to brand Purdey a maverick, or worse. But foreign governments are now asking to see his work, and the signs are that support is growing for Purdey's hypothesis, among doctors, scientists and farmers themselves.

If Purdey is "alternative", then he is using some very conventional weapons. His latest missile is a two-part article on the pathogenesis and epidemiology of BSE in a peer-reviewed medical journal.

Here is a sentence: "Multi-site binding organophosphate toxic metabolites penetrate the fetus, evidently binding with phosphorylating, and ageing serine, tyrosine or histidine active sites on fetal central nervous system protein."

It becomes easier later on. But

## Private View

# The farmer who left the herd

Christian Tyler meets a man who has locked horns with the Ministry of Agriculture over BSE

you get the flavour.

Purdey rejects the "alternative" label but does not disguise his green creed. He remembers playing in the orchard behind his parents' house, when a crop-spraying aircraft flew over. The birds began to die in convulsions. "That look in their eyes still really haunts me," he said. Later, Rachel Carson's book *Silent Spring* was a big influence.

His campaign began with a knock on the door in 1984, two years before BSE had been identified.

"The Ministry arrived one morning at breakfast time - a lovely autumn morning - and delivered this notice for me to forcibly treat my cows for warble fly. What got my back up was the assumption that I'd do it, use this extremely potent pesticide derived from a military nerve agent.

Before that I'd been a sort of laid-back, idealistic organic farmer in my oasis of Somerset countryside just getting on with my life. Suddenly the conflict triggered off this campaigning spirit, this scientific quest, which until then I was largely unaware that I had."

Are you "alternative"? I asked.

"No, I don't think I am. I just live according to the way I spiritually believe in. We're self-sufficient in organic vegetables, which is unusual, but what's wrong with that?"

Is it an accident that you live near Glastonbury?

Purdey laughed uncomfortably. "No, that's not part of my vision at all. I'm just a normal person. People think I'm a wacky Green.

They'd be surprised to know how much antagonism I've had from Greens - possibly *agent provocateurs*. Vegetarians like the official theory because it blames animal cannibalism.

Whether Purdey is right or wrong - and laboratory tests he has financed may decide which in three months - the contest between the maverick and the ministry is an intriguing one.

Nor are military metaphors out of place. Mark Purdey is a great-great grandson of the famous shotgun master William Purdey. His grandfather, Lionel, was a poultry farmer who introduced the Muscovy duck ("useless creature") and suffered shell-shock in the first world war. He badged Lord Kitchener to get the syndrome recognised.

After a "vicious" preparatory school, Mark Purdey was sent to the military-style Halbury Hall where he was shocked to see the school chaplain in the cadet force running around with rifle and bayonet shouting "kill, kill". He was asked to leave early after his A-levels in biology, geography and physics. "I was seen as a threat to the equilibrium of the school," he said. "I suppose I was a law unto myself. But I would like to think it was always difficult."

When BSE emerged he wrote to

*Farmers' Weekly*. "Without wanting to appear to be a prophet, I did forewarn them. I was expecting it."

He accuses the Ministry of Agriculture, Fisheries and Food (MAFF) of distorting his hypothesis, uttering half-truths, discrediting him with foreign scientists, even sponsoring letters from fictitious characters in the farming press.

Some of his suspicions have a tinge of paranoia: "Some odd things happened in the 1980s. Suspect people turned up. There were break-ins, odd disasters." His house was set on fire and an electrical fault blamed when there was no electricity. When two important disks in his computer were corrupted - but only one - an electro-magnetic field was blamed.

"Clearly the scientists were not stupid," he said. "Sometimes on the phone they would show cryptically that they understood what I was getting at." He surmises they were

afraid to speak out for fear of losing their jobs, or promotions, or landing the government with enormous compensation claims.

They would argue, I said, that you were bound to blame the pest.

"You can go on discounting my observations and other people's on the grounds that I'm an organic crank-case. But there comes a time when you have to accept that what I'm talking about is direct observation."

As he talked a jet trainer exploded from behind the hill and screamed overhead. The children jumped.

How was he coping with the strain?

"I'm surprised by myself, really. I think once you believe in something, unless you have a lobotomy there is no going back."

Have you kept your equilibrium?

"Yeah, I think so. We occasionally have days off and go to the beach. Where things grate a bit in the phone incessantly ringing, and TV crews coming to film me. It gets a bit intrusive." The expression on the face of his wife Margaret, noisy chipping onions nearby, confirmed the truth of this remark.

Do you suffer from doubts?

"Any proper scientist has got to be self-doubting. Yeah, I do doubt myself. But I must say as my theory evolves it does seem to look stron-

ger. For example we have these 26,000 cows with BSE born after the cow on animal protein in feed."

Must assume the government is not wilfully trying to poison us all, I said. Perhaps your theory is compatible with theirs.

"Yes, you have a good point there. Where I can concede partly is that the organophosphate may have primed the disease by damaging this prior in the brain of the cow."

You kill that cow and feed its brain

back to the next generation and you have this undegradable mutant protein which could cross the gut wall and get back into the brain of the next."

The Portuguese government has

asked to see Purdey's findings. He has had calls from Germany and Denmark. At home, he has met government scientists privately, lectured to the Medical Research Council and talked to many local bodies.

Will it all end in tears?

"No, because doing this work I've found out some very interesting things." Purdey thinks that Creutzfeld-Jakob disease (the rare human affliction which the government has linked to BSE) is not caused by eating beef but may be the result of similar overdoses or bio-accumulations of chemicals in people who are genetically susceptible. The same may be true of Parkinson's, Alzheimer's, multiple sclerosis and motor neurone disease.

As I drove away from the lonely farm, I thought: just because society has rejected an idea as bad does not mean it is good. But just because a man likes organic vegetables and jazz does not mean he is wrong.

"Medical Hypotheses" (1996) pp 429-442, from Pearson Professional; tel: 0121-535 1731.

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Stand at the bar of an Italian cafe early on a weekend morning and you might be in the middle of the most heavenly-smelling game of *What's My Line*. "Good morning, Engineer," booms the barman. "The usual *caffellatte*, Architect? *Espresso*, dottorezza. *Salve, avvocato*." He continues to pay his tribute to all the smooth professionals around him in a roll-call of absurd, but rather charming, pomposity.

Britons go to the other extreme. They must be the only people who admit sheepishly that, yes, they did spend three years of honest toil researching the use of prepositions in Norse mythology, and yes, they were fortunate enough to be awarded a doctorate - but they only ever use the title at a restaurant.

There is even that unwritten rule - that you only use the title of "Doctor" if you are a medical doc-

Peter Aspden

## Knowing value when currency is debased

tor, and then only if you are not a surgeon in which case you are, of course, a Mister or Ms.

But most of the rest of Europe, and America too, for that matter, shows scant regard for such humility. The world out there is pullulating with professors, dripping with doctors. It is best not to ask too many questions. Suffice to say that not all of them have come within a test tube width of winning a Nobel prize.

But Britain's bouncing boffins are fighting back. Oxford University this week announced it was creating 162 new professors as a corrective to the flood of titles which exist abroad and which have been created recently in the new universities.

It is the oldest one in the book: if

everyone that *matters*, that is, as everyone that *matters* knows instantly the value of any degree or title. There are bad universities out there, and they have professors. They know who they are. So do a lot of other people.

Oxford is, by and large, a good university. But by playing the titles game, they are only impressing those who do not need to be impressed. Those who matter will soon learn to distinguish between the new type of professor - "fitter" professors - and those who genuinely hold a chair. Just who are they trying to kid?

The whole affair was put into perspective by the visit of Nelson Mandela to Britain this week. So many universities insisted on conferring an honorary degree

on him that a special ceremony had to be arranged to enable him to receive them all.

Now if professorships are a joke, honorary degrees take us into the dreamscapes of the surreal. Nelson Mandela will be sharing this privilege with, among many even less worthy recipients: Richard Wilson, who was honoured for his portrayal of a misanthropic television character called Victor Meldrew, the former footballer Jack Charlton, who made a pun out of his doctorate in civil law by joking about kicking Denis Law; and Mark Knopfler, who has made millions from recycling goodish guitar solos and exotic headbands.

But we are not stupid. We know the difference between showbiz mediocrities and one of the outstanding heroes of the 20th century. No matter that they share the same title.

Mandela would probably prefer the sound of another academic accolade that conferred by the students of Wadham College, Oxford, who continue to end all their discs by playing the anthemic Specials song "Free Nelson Mandela" as a tribute. A small honour for a great man, but I bet he wears it well.

WAGGLES



# Weekend Investor

Wall Street

## Stand by to raise the storm barriers

Maggie Urry wonders if Hurricane Bertha heralds a crash in the US market

### Buy on the dips

**A**s Hurricane Bertha headed for the coast of the Carolinas yesterday, memories were revived of the hurricane-force winds that swept southern England in October 1987. That storm presaged the Black Monday crash, when world stock markets tumbled. Does Bertha herald a crash in the US market?

Certainly the market has been shaky. Since last Friday's near 115 point fall in the Dow Jones Industrial Average prices have been volatile. Thursday was a bad day with the Dow down more than 130 points before rallying to close down more than 80 points.

The question facing investors is whether to sell because a correction or even a bear market is starting, or should they view the market's weakness as a buying opportunity. If there is one thing investors have learnt in the bull market of the last six years, it is that "buying the dips" pays off.

As the table shows, on virtually every occasion when the Dow has fallen by 2 per cent or more in a single day the market has risen in the following trading day. The exceptions were in November 1994, when the Dow fell slightly in next session, and this time round.

On Monday this week, after a weekend when investors could consider what to do, the buy-on-the-dips mentality failed, and the Dow dropped a further 37 points. Rallies lifted the market on Tuesday and Wednesday, and took the market off its lows on Thursday. Yesterday morning, stock prices seemed uncertain which way to go.

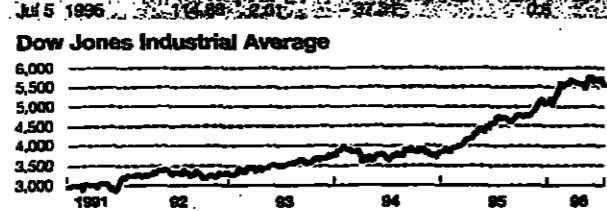
Philip Brown, chief investment officer at Meridian Investment Company, still believes in being fully invested. He, like many investment managers, does not think it is possible to time the market. When cash comes into his funds he invests straight away. "You're better off putting it all in as soon as you get it," he argues, though he says his portfolios are taking a fairly defensive stance at present.

If you look back at the whole of the 1980s, he says, and the hundreds of days the market was open, most of the market's good performance was concentrated on a few dozen days. Missing those vital good - but unpredictable - days would ruin a fund's performance.

Looking at the table again, most 2 per cent falls are

**One-day falls of more than 2% since Oct 1990**

Date	Fall	Points change	Number of next day sessions to recover
Mar 19, 1991	65.09	-2.65	0
Aug 19, 1991	65.09	-2.36	1
Nov 11, 1991	65.09	-2.92	2
Feb 16, 1992	62.94	-2.44	2
Apr 2, 1992	61.63	-2.00	10
Feb 4, 1994	69.24	-2.43	250
Nov 22, 1994	74.22	-3.98	1
Mar 8, 1995	171.24	-3.00	6
Jul 5, 1995	172.95	-2.75	1



reversed relatively quickly, with the Dow regaining its pre-fall closing level within a couple of dozen trading sessions. The exception to that was in 1994, when the Federal Reserve's move to raise interest rates in February, and keep increasing them that year, kept the market under a cloud for a long time.

That background might be repeated this time. An expectation of a tightening in the Fed's interest rate policy is one of the problems the market is having to contend with now.

The outlook for interest rates is but one of the market's concerns now, though. Michael Metz, strategist at Oppenheimer, thinks the bull market is over for now. He says the four main forces behind the market's rise have all reversed.

Inflation was going down; now there are fears it will go up, although there is little sign of that in the prices statistics yet. Interest rates were falling; now they look like rising.

Third, corporate profits were racing ahead; now earnings growth is much slower. There have been some nasty disappointments this week from leading companies like Hewlett-Packard, Motorola and United Healthcare.

The concern is that reports of poor earnings in the second quarter - when, after all, the economy was growing at an unsustainable rate - are unlikely to be a one-quarter wonder. Hewlett-Packard's profit warning, which triggered Thursday's fall, was worrying.

It said it was having difficulties across most product lines and in most geographical areas. And it decided to close

its disk drive business.

The fourth of Metz's concerns is that the huge flows of money into mutual funds are drying up.

On Wednesday, the Investment Company Institute, the association of US mutual funds, published its estimate of fund flows in June. The figures suggested that the sort of investors who buy mutual funds are becoming a little nervous of the market, as the rate of new cash flows into equity funds dropped in June to the lowest monthly level this year.

Having said that, money was flowing into the funds at a phenomenal rate of \$15.5bn in June, and so far this year \$139bn has been invested in the stock market by these investors, more than the record annual total of \$120bn in 1993.

Fidelity Investments, the largest mutual fund manager in the US, said it saw definite signs of slowing sales in June. It took in around \$50bn of new money to its equity funds that month, down from more than \$2bn in May.

Fidelity reckons investors are adopting a more cautious, wait and see attitude, and notes much of the equity money is directed to international funds rather than US equity funds. It looks like the market will be buffeted by some strong winds before this storm blows out.

**Dow Jones Ind Average**

Monday	5,560.83 - 37.31
Tuesday	5,581.88 + 21.03
Wednesday	5,603.65 + 21.79
Thursday	5,620.54 - 63.11
Friday	

Barry Riley

## Property boom in Westminster

Hints of the old boom-bust cycle are hardly encouraging

**S**ummer economic forecasts ought to be, well, sunny, and the Treasury's duly obliged this week. Growth will accelerate from 2% to 3% per cent over the next year, underlying inflation now 2.8 per cent will fall to 2 per cent by next year and stabilise, the balance of payments deficit will remain trivial and meanwhile consumers will enjoy their biggest spending boom since 1988, with growth of more than 4 per cent.

Whoever had thought there was an election coming next spring? The chancellor, Kenneth Clarke's biggest problem could be that it will turn out to be more of a post-election than a pre-election boom, with some big building society flotations threatening to make consumers more than £10bn richer some time in 1997.

Any clouds on the horizon? Well, the government is borrowing massively to help finance all this consumer-led growth. Gross general government debt - the Maastricht measure - is rising by £30bn a year and is currently shooting through the £100bn level. You and me, and all British citizens, are carrying a personal mortgage of upwards of £7,000. But don't worry, the budget deficit will soon be coming down, at least if people pay their taxes according to expectations.

British citizens are carrying a personal mortgage of upwards of £7,000

of broad money growth of 10 per cent, and acceleration to 13 in the growth of narrow money, M0, the Treasury's preferred measure. They are raiding the public purse in just the same way that fat cat directors are dipping heavily into the surpluses of their company pension schemes.

The juncture the Bank was referring to, by the way, was the point in the economic cycle when weakness in some sectors masks the emergence of buoyancy elsewhere. Recently manufacturing output has been hesitant and has offset above-trend growth in services. The temptation in the past has been to over-egg the upturn in these circumstances, piling new

## Bearing out the bearish overview

Europe is blasé about the Dow, writes Philip Coggan

**O**vervalued, overbought and overdue for a correction? That is the view of many people over in the UK about the US stock market and events this week seemed to bear out the bearish view.

Even officials in the UK Treasury are expressing concern over the heights which Wall Street has reached, muttering that patterns are as disturbing as they were before the crash in 1987.

The latest decline on Wall Street followed bad profits news from Hewlett-Packard and Motorola, which worried investors about the outlook for the corporate sector.

Earnings growth has been a powerful motor behind the rise in the Dow Jones Industrial Average to repeated all-time highs. If earnings growth slows and if, as expected, the Federal Reserve acts to increase interest rates, what will there be left to support the US market?

The Dow's 88 point fall on Thursday, which at one point

was as much as 130 points, followed a near 115 point decline the previous Friday.

Wall Street has experienced a few sharp drops in the Dow this year but on each occasion, share prices have steadied and rallied. As a result, European markets have become increasingly blasé about the Dow's gyrations. This is especially true, given that the latest problems occurred in the technology sector, an area which is much more important in the US than in Europe.

The UK, in particular, has lagged way behind the US market in recent years; as the graph shows, the Dow has outpaced the FT-SE 100 by nearly 36 per cent since the start of 1994. Traders can reasonably argue that, if London did not follow New York on the way up, why should it track it blindly on the way down?

Nevertheless, a substantial fall in the Dow - which has not experienced a 10 per cent correction for six years - would be hard for London to escape.

The US is an important source of liquidity for other markets, and if US investors decide to switch into cash they are just as likely to sell European equities as their domestic market.

The ripple effect can be seen on stocks which tend to be internationally traded as part of a global sector. A good example would be mobile telecommunications; the fall in Motorola affected European stocks such as Nokia, Ericsson and in the UK, Vodafone and Orange. Shares in Orange have now dropped well below its flotation price; some unkind stock market wags are now suggesting the stock should be renamed "lemon".

Another sector to suffer is biotechnology. The phenomenal rise of British Biotech in particular has been noted in this column before, but investors who bought at the recent peak of £35 will know to their horror that the shares had



Earnings growth has powered the rise in the Dow

slipped to £20.50 by lunchtime yesterday. When stock markets correct, the shares with the most extravagant valuations often suffer most.

The Wall Street decline still failed to knock Footsie out of its recent trading range of 3,650-3,850, which has held throughout 1995.

What has been noticeable in recent weeks, however, is that smaller company shares have lost some of their shine. The Mid-Cap index peaked at 4,588.6 in April and had dropped 4.9 per cent by July 11; the Small-Cap index hit its peak of 2,344.36 in June and had lost 3.8 per cent by Thursday.

There is no obvious reason for this decline. But surveys have indicated that UK investment institutions are reducing their weightings in UK equities and it may well be that they are selling some of their smaller holdings and concentrating their investments in the more liquid Footsie stocks.

International events seem likely to dominate the London market for the foreseeable future. The last meeting between Kenneth Clarke, the chancellor, and Eddie George, the governor of the Bank of England, seems to have decided to leave interest rates unchanged; the results season goes quiet over the summer, and parliament shuts down, so political worries can be temporarily put to one side.

However, the summer lull can occasionally be dangerous. When trading volumes are low, marketmakers tend to take flight at a shift in any direction, and mark their prices sharply higher or lower in consequence.

**M**erchant banks are always brainstorming for their clients and ambitious managers often wonder whether they can make a big acquisition to revolutionise their business. There is a long history of "takeovers" that never happened" such as Hanson and ICI or Saatchi & Saatchi and Midland Bank.

This particular takeover cycle has seen relatively few of the kind of aggressively leveraged deals that characterised the mid-1980s. Most deals, notably Glaxo-Wellcome and the utility sector bids, have involved industry restructuring. The nearest thing to a 1980s-style battle was the Granada bid for Forte, but that does not seem to have set a trend.

With the general election getting closer (some commentators still suspect that the government might opt for an autumn poll), predators are running out of time before the likely election of a Labour government, which seems set to look far less favourably on takeover activity. So if your broker calls you with yet another takeover tip, it might just pay to be sceptical.

### ■ Highlights of the week

Price	Change	52 weeks	52 weeks	52 weeks
FT-SE 100 Index	172.95	+14.9	200.1	340.4
FT-SE Mid 250 Index	4316.5	+50.7	4588.8	5359.7
BTG	1770	+145	1920	275
British Gas	185	+19	227	1714
BSkyB	478	+25	484%	311
BT	2811	+111	4157	3266
First Choice	64	+14	1004	56
GKN	1043	+48	1044	573
GT Universal Stores	595	+50	770	5567
HTV	354	+11	401	201
ICI	802	+25	859	725
Matthew Clark	740	+20	803	589
Scottish & Newcastle	654	+16	700	576
Stanley Leisure	473	+22	508	314
Tomkins	288	+15	2947	2267

Fall-out from Wall Street Fall-out from Wall Street Profit-taking Scott turn buyer US buying US buying Disappointing summer sales Takeover speculation Market reassessment Disappointing results Fears over wholesale beer margins Comment on results/expansion plans Trading update

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For further information and a sample copy of International Trade Finance please contact:

**Charlotte Green**  
FT Financial Publishing  
Maple House, 149 Tottenham Court Road  
London W1P 9LL, UK

Tel: 0171-896 2314  
Fax: 0171-896 2319



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